HOUSE . . . . . No. 4461

The Commonwealth of Massachusetts

House of Representatives, July 5, 2016.

The committee on Ways and Means to whom was referred the Bill relative to job creation, workforce development and infrastructure investment (House, No. 4413), reports recommending that the same ought to pass with an amendment substituting therefor the accompanying bill (House, No. 4461) [Bond Issue: $945,500,000.00] [Representatives Boldyga of Southwick and Dooley of Norfolk dissenting].

For the committee,

BRIAN S. DEMPSEY

HOUSE . . . . . No. 4461

The Commonwealth of Massachusetts

In the One Hundred and Eighty-Ninth General Court
(2015-2016)

An Act relative to job creation, workforce development and infrastructure investment.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to further economic development and job creation in the commonwealth, therefore, it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

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

SECTION 1. To provide for a program of economic development and job creation, the sums set forth in sections 2A, 2B and 2C, for the several purposes and subject to the conditions specified in this act, are hereby made available, subject to the laws regulating the disbursement of public funds; provided, however, that the amounts specified in an item or for a particular project may be adjusted in order to facilitate projects authorized in this act. These sums shall be in addition to any amounts previously authorized and made available for these purposes.

SECTION 2A.

EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

Office of the Secretary

10 7002-8006 For the MassWorks infrastructure program established by section 63 of
11 chapter 23A of the General Laws ……..……. $500,000,000

12 7002-8007 For matching grants to enable institutions of higher education located in
13 the commonwealth to participate in and receive federal funding from the National Network for
14 Manufacturing Innovation ……..……..…… $71,000,000

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

21 7002-8009 For a program to be administered by the Massachusetts Development
22 Finance Agency to make grants and loans to municipalities, private property owners, non-profit
23 entrepreneur support organizations and business operators for design, construction and,
24 improvement of buildings and for equipment to spur innovation and entrepreneurship across the
25 state, including but not limited to co-working spaces, innovation centers, maker spaces and artist
26 spaces ……..…… $15,000,000

27 7002-8010 For the Brownfields Redevelopment Fund established by section 29A of
28 chapter 23G of the General Laws ……..……..…… $45,000,000

29 7002-8011 For the Transformative Development Fund established by section 46 of
30 chapter 23G of the General Laws ……..……..……$45,000,000

31 7002-8012 For the Scientific and Technology Research and Development Matching

32 Grant Fund established by section 4G of chapter 40J of the General Laws ……$15,000,000

33 7002-8013 For the Advanced Manufacturing, Technology and Hospitality Training

34 Trust Fund established in section 2OOOO of chapter 29 of the General Laws.....$30,000,000

35 7002-8014 For the Massachusetts Food Trust Program established by section 65 of

36 chapter 23A of the General Laws ……..……..…… $6,000,000

37 7002-8015 For the Massachusetts Technology Park Corporation, established in

38 section 3 of chapter 40J of the General Laws and doing business as the Massachusetts

39 Technology Collaborative, to create a cybersecurity and data analytics technology development

40 and training center of excellence pursuant to section 104 ……..…. $4,500,000

41 SECTION 2B.

42 EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

43 *Department of Housing and Community Development*

44 7004-8016 For the Smart Growth Housing Trust Fund established by section 35AA of

45 chapter 10 of the General Laws……..…….. $15,000,000

46 SECTION 2C.

47 EXECUTIVE OFFICE OF EDUCATION

48 *Office of the Secretary*

49 7009-2005 For a competitive grant program to be administered by the executive
50 office of education, in consultation with the executive office of housing and economic
51 development and the executive office of labor and workforce development, to provide funding
52 for the purchase and installation of equipment, and any related improvements and renovations to
53 facilities necessary for the installation and use of such equipment, for the purpose of establishing,
54 upgrading and expanding career technical education and training programs that are aligned to
55 regional economic and workforce development priorities; provided further, that grant
56 applications may facilitate collaboration to provide students enrolled in eligible vocational-
57 technical schools with post-secondary opportunities, consistent with clause (o) the first paragraph
58 of section 22 of chapter 15A and section 37A of chapter 74 of the General Laws; provided
59 further, that innovation centers that receive funds from the Massachusetts Life Sciences Center
60 shall also be eligible for funds from this program; and provided further, that the executive office
61 of education, in consultation with the executive office of housing and economic development and
62 the executive office of labor and workforce development, shall adopt additional guidelines as
63 necessary for the administration of the program……..…….. $45,000,000

64 7009-2006 For competitive grants to cities, towns, regional school districts and
65 institutions of public higher education for the establishment and implementation of early college
66 high school programs; provided, that the programs shall support students who work
67 simultaneously on the completion of a high school diploma from the partnering school district
68 while also earning free college credits towards an associate degree or certificate at the partnering
69 institution of higher education; provided further, that the programs shall provide full access to
70 college support services, student activities and tutoring and shall ensure holistic wrap-around
71 support which meets the academic, social and emotional needs of the student and shall ensure

72 full access to the same for students with physical or learning disabilities; provided further, that in
73 awarding these grants, preference shall be given to innovative joint proposals, developed by
74 partnering school districts, colleges and local and regional nonprofits where appropriate; and
75 provided further, that the grants shall be awarded, to the extent feasible, in a manner that reflects
76 geographic and demographic diversity……..……..$2,400,000

77 MASSACHUSETTS DEPARTMENT OF TRANSPORTATION

78 *Office of the Secretary*

79 6720-1340 To mitigate or contribute toward any costs associated with or arising out or
80 improvements to the Conley Terminal in South Boston, including, but not limited to, berth
81 construction and crane procurement……..$107,500,000

82 SECTION 3. Section 7 of chapter 4 of the General Laws, as appearing in the 2014
83 Official Edition, is hereby amended by striking out, in line 75, the words "and (v) and inserting
84 in place thereof the following words:- (v) charitable gaming conducted under said chapter 271;
85 and (vi) a fantasy contest conducted under chapter 110I.

86 SECTION 4. Section 18 of chapter 21A of the General Laws, as appearing in the 2014
87 Official Edition, is hereby amended by striking out, in line 269, the figure "3D" and inserting in
88 place thereof the following figure:- 3G.

89 SECTION 5. Section 2 of chapter 21E of the General Laws, as so appearing, is hereby
90 amended by striking out, in line 80, the figure "3D" and inserting in place thereof the following
91 figure:- 3G.

92 SECTION 6. Chapter 23A of the General Laws, as so appearing, is hereby amended by
93 striking out sections 3A to 3G inclusive and inserting in place thereof the following 9 sections:-

94 Section 3A. (a) The Economic Development Incentive Program shall be
95 administered by the EACC, under the oversight of the secretary of housing and economic
96 development, to provide incentives that stimulate job creation and investment of private capital
97 and to promote economic growth and expand economic opportunity to all areas of the
98 commonwealth. EDIP tax credits and other incentives shall be administered to stimulate job
99 creation, attract new business activity and promote investment that would not otherwise occur in
100 the commonwealth.

101 (b) As used in sections 3A to 3H, inclusive, the following words shall, unless the
102 context clearly requires otherwise, have the following meanings:

103 "Affiliate", any business which directly or indirectly controls another business, is
104 controlled by another business, or is under direct or indirect common control of at least 1 other
105 business, including, but without limitation, any business with whom a business is merged or
106 consolidated, or which purchases all or substantially all of the assets of a business.

107 "Alternative EDIP tax credits", tax credits that may be awarded to the controlling
108 business of a certified project that has been designated as an extraordinary economic
109 development opportunity, or to an affiliate of the controlling business, as allowed by paragraph
110 (3) of subsection (g) of section 6 of chapter 62, or subsection (b) of section 38N of chapter 63.

111 "Business", a corporation, partnership, firm, unincorporated association or other entity
112 engaging or proposing to engage in economic activity within the commonwealth, and any
113 affiliate thereof, which is subject to taxation under chapter 62 or chapter 63.

114 “Certified project”, a proposed project that is certified by the EACC pursuant to section
115 3C.

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

119 “EACC”, the economic assistance coordinating council established pursuant to section
120 3B.

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

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

129 “Expansion of an existing facility”, the relocation of business functions and employees
130 from one location in the commonwealth to another location in the commonwealth, or the
131 expansion of an existing facility located in the commonwealth, provided that such relocation or
132 expansion results in a net increase in the number of permanent full-time employees at the
133 relocated or expanded facility.

134 “Extraordinary economic development opportunity”, a proposed project that is jointly
135 designated by the secretary of housing and economic development and the secretary of
136 administration and finance as an extraordinary economic development opportunity as provided in
137 subsection (d) of section 3C.

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

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

145 “Material non-compliance”, the failure of a controlling business to substantially achieve
146 the capital investment, job creation, job retention or other economic benefits set forth in the
147 EDIP contract, or any other act, omission or misrepresentation by the controlling business that
148 frustrates the public purpose of the economic development incentive program.

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

150 “Municipal project endorsement”, an endorsement of a proposed project by the
151 municipality in which a proposed project will be located, which must include: (i) a finding by the
152 municipality that the proposed project is consistent with the municipality’s economic
153 development objectives; (ii) a finding by the municipality that the proponent of the proposed
154 project has the means to undertake and complete the proposed project; (iii) a finding by the
155 municipality that the proposed project will have a reasonable chance of increasing or retaining

156 employment opportunities as advanced in the proposal; (iv) a determination by the municipality
157 that the proposed project will not overburden the municipality's infrastructure and other
158 supporting resources; and (v) a description of the local tax incentive, if any, offered by the
159 municipality in support of the proposed project, together with a copy of the fully executed tax
160 increment financing agreement or the fully executed agreement setting forth the terms of the
161 special tax assessment, as applicable.

162 "Municipality", a city or town in the commonwealth or, in a case in which 2 or more
163 cities or towns agree to act jointly for some purpose hereunder pursuant to a collaborative
164 agreement, collectively, all cities and towns participating in the collaborative agreement.

165 "Permanent full-time employee", an individual who is paid wages by a controlling
166 business and who: (i) at the inception of the employment relationship does not have a
167 termination date which is either a date certain or determined with reference to the completion of
168 some specified scope of work; (ii) works at least 35 hours per week; and (iii) receives employee
169 benefits at least equal to those provided to other full-time employees of the controlling business.
170 For purposes of this chapter, the term permanent full-time employee shall not include any
171 contractors or part-time employees who may be included in a calculation of the controlling
172 business's full-time equivalent workforce.

173 "Proportion of compliance", a fraction which has as its numerator the number of actual
174 permanent full-time employees at a facility and which has as its denominator the number of
175 permanent full-time employees required to be employed at the facility under the terms of an
176 EDIP contract.

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

179 “Real estate project”, the construction, rehabilitation or improvement of 1 or more
180 buildings or other structures on a parcel of real property, which, when completed, will result in
181 an increase in the assessed value of the real property of at least 100 per cent over the assessed
182 value of said real property prior to the project.

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

186 “Replacement of an existing facility”, the relocation of business functions and personnel
187 from 1 facility located in the commonwealth to another facility in the commonwealth, or the
188 improvement of an existing facility; provided that such relocation or improvement does not
189 qualify as an expansion of the existing facility.

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

192 “Tax increment financing agreement”, a binding agreement between a municipality and a
193 real property owner consistent with the requirements of subsection (b) of section 3E, and with
194 section 59 of chapter 40.

195 “TIF”, tax increment financing.

196 Section 3B. (a) There shall be an economic assistance coordinating council
197 established within MOBD consisting of: the secretary of housing and economic development or

198 the secretary's designee, who shall serve as co-chairperson; the director of housing and
199 community development or a designee, who shall serve as co-chairperson; a second person
200 designated by the secretary of housing and economic development; the director of career services
201 or a designee; the secretary of labor and workforce development or a designee; the director of the
202 office of business development or a designee; the president of the Commonwealth Corporation
203 or a designee; and 7 persons to be appointed by the governor, 1 of whom shall be from the
204 western region of the commonwealth, 1 of whom shall be from the central region of the
205 commonwealth, 1 of whom shall be from the eastern region of the commonwealth, 1 of whom
206 shall be from the southeastern region of the commonwealth, 1 of whom shall be from Cape Cod
207 or the Islands, 1 of whom shall be a representative of a higher educational institution within the
208 commonwealth and 1 of whom shall be from the Merrimack Valley. Persons appointed by the
209 governor shall have expertise in issues pertaining to training, business relocation or inner-city
210 and rural development, and shall be knowledgeable in public policy or international and state
211 economic and industrial trends. Each member appointed by the governor shall serve at the
212 pleasure of the governor. The council shall adopt by-laws to govern its affairs.

213 (b) The EACC shall administer the economic development incentive program and, in
214 so doing, shall be empowered to exercise the following powers and duties:

215 (1) promulgate regulations and adopt policies and guidance to effectuate the purposes
216 of sections 3A to 3H, inclusive;

217 (2) certify projects for participation in the economic development incentive program
218 and establish regulations for evaluating the proposals of said projects;

219 (3) certify and approve tax increment financing agreements and special tax
220 assessments pursuant to section 3E and section 59 of chapter 40;

221 (4) authorize municipalities to apply to the foreign trade zone board for the privilege
222 of establishing, operating and maintaining a foreign trade zone in accordance with section 3G;

223 (5) assist municipalities in obtaining state and federal resources and assistance for
224 certified projects and other job creation and retention opportunities within the commonwealth;

225 (6) provide appropriate coordination with other state programs, agencies, authorities
226 and public instrumentalities to enable certified projects and other job creation and retention
227 opportunities to be more effectively promoted by the commonwealth; and

228 (7) monitor the implementation of the economic development incentive program.

229 (c) The secretary of housing and economic development shall appoint within MOBD
230 a director of economic assistance who shall be responsible for administering the EDIP in
231 consultation with the secretary of housing and economic development, the director of MOBD
232 and the EACC. The director of economic assistance shall advise the EACC on matters related to
233 the EDIP, but shall not serve as a member of the EACC. MOBD shall annually submit to the
234 governor, the senate and the house ways and means committees, and the joint committee on
235 economic development and emerging technologies, within 90 days after the end of its fiscal year,
236 a report setting forth its operations and accomplishments, including a listing of all projects
237 certified under the EDIP. Such report shall also include recommended policies or actions, if any,
238 to improve the effectiveness of the EDIP.

239 Section 3C. (a) A controlling business may petition the EACC to certify a
240 proposed project that will create new permanent full-time employees within the commonwealth.
241 Every proposed project submitted by a controlling business to the EACC for review and
242 certification shall include a detailed description of the proposed project; a representation by the
243 controlling business regarding the amount of capital investment to be made, the number of new
244 jobs to be created, the number of existing jobs to be retained; a representation by the controlling
245 business regarding any other economic benefits or other public benefits expected to result from
246 the construction of the proposed project; a municipal project endorsement; and such other
247 information as the EACC shall require by regulation, policy or guidance.

248 (b) Upon receipt of a complete project proposal and municipal project endorsement,
249 the EACC may certify the proposed project, deny certification of the proposed project, or certify
250 the proposed project with conditions. In order to certify a proposed project, with or without
251 conditions, the EACC shall make the following required findings based on the project proposal,
252 the municipal project endorsement, and such additional investigation, if any, as the EACC shall
253 make and incorporate in its minutes:

254 (1) The proposed project is located or will be located within the commonwealth;

255 (2) If the controlling business has 1 or more existing facilities in the commonwealth,
256 then the proposed project is an expansion of an existing facility and not merely the replacement
257 of an existing facility, except in the case of a proposed project that will enable a controlling
258 business to retain jobs in a gateway city as provided in subclause (ii) of clause (3) below, or

259 (3) The proposed project will either (i) enable the controlling business to hire new
260 permanent full-time employees in the commonwealth, or (ii) enable the controlling business to

261 retain at least 50 permanent full-time jobs at a facility located in a gateway city, or in an adjacent
262 city or town that is accessible by public transportation to residents of a gateway city, and such
263 jobs otherwise would be relocated outside of the commonwealth;

264 (4) The controlling business shall commit to maintain new and retained jobs for a
265 period of at least 5 years after the completion of the proposed project;

266 (5) The proposed project appears to be economically feasible, and the controlling
267 business has the financial and other means to undertake and complete the proposed project,

268 (6) Unless the proposed project will be located in a gateway municipality, a duly
269 authorized representative of the controlling business has certified to the EACC that the
270 controlling business would not undertake the proposed project but for the EDIP tax credits and
271 local tax incentives available to it under this chapter; and

272 (7) The proposed project complies with all applicable statutory requirements and with
273 such other criteria that the EACC may from time to time prescribe by regulation, policy or
274 guidance.

275 The EACC shall by regulation, policy or guidelines provide for the contents of an
276 application for project certification, which may include a requirement that the controlling
277 business provide written evidence to support the certification provided for in clause (6) of this
278 subsection.

279 (c) A certified project shall retain its certification for the period specified by the
280 EACC in its certification decision; provided, however, that such specified period shall be not less
281 than 5 years from the date of certification nor more than 20 years from such date.

282 (d) The secretary of housing and economic development and the secretary of
283 administration and finance may from time to time jointly designate a proposed project as an
284 extraordinary economic development opportunity if the secretaries jointly determine that the
285 proposed project involves the construction or substantial rehabilitation of a new facility or
286 expansion of an existing facility within the commonwealth that is not a replacement of an
287 existing facility in the commonwealth, or involves the relocation of an existing business to the
288 commonwealth from a facility located outside of the commonwealth, and the proposed project
289 meets at least 1 of the following additional criteria:

290 (1) The proposed project, if approved and constructed, will create at least 400 new
291 jobs; or

292 (2) The proposed project, if approved and constructed, will result in the creation of at
293 least 200 new jobs in a gateway municipality or in an adjacent city or town that is accessible by
294 public transportation to residents of a gateway municipality.

295 The secretary of housing and economic development shall promulgate such rules and
296 regulations necessary to implement the provisions of this subsection. The decision by the
297 secretaries to designate or not to designate a proposed project as an extraordinary economic
298 development opportunity shall be a decision that is within the sole discretion of each of the
299 secretaries, and may include such conditions as the secretaries shall in their discretion impose.
300 Such decisions shall be final and shall not be subject to administrative appeal or judicial review
301 under chapter 30A or give rise to any other cause of action or legal or equitable claim or remedy.

302 Section 3D. (a) The EACC may award to the controlling business of a certified
303 project, or to its affiliate, tax credits available under subsection (g) of section 6 of chapter 62 or

304 section 38N of chapter 63. The amount of any such credits awarded, and the schedule on which
305 such credits may be claimed, shall be determined by the EACC based on the following criteria:

306 (1) The degree to which the certified project is expected to increase employment
307 opportunities for residents of the commonwealth, with consideration given to the number of new
308 full-time jobs to be created, the number of full-time jobs to be retained, the salary or other
309 compensation that will be paid to the employees, and the amount of new state income tax to be
310 generated;

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

314 (3) The amount of capital to be invested by the controlling business in the certified
315 project;

316 (4) The degree to which the certified project is expected to generate net new
317 economic activity within the commonwealth by generating substantial sales from outside of the
318 commonwealth;

319 (5) The extent to which the certified project is expected to contribute to the economic
320 revitalization of a gateway municipality or increase employment opportunities to residents of a
321 gateway municipality;

322 (6) The economic need of the municipality or region in which the certified project is
323 located, as determined by income levels, employment levels or educational attainment level; and

324 (7) Commitments, if any, made by the controlling business to use Massachusetts
325 firms, suppliers and vendors, or to retain women or minority-owned businesses, during the
326 construction of the certified project.

327 The EACC shall have discretion as to how to weigh and apply these criteria. When
328 making an award of tax credits pursuant to subsection (g) of section 6 of chapter 62 and section
329 38N of chapter 63, the EACC may at its sole discretion limit the award to a specific dollar
330 amount, may specify the schedule on which such credits may be claimed, and may limit or
331 restrict the right of the controlling business to carry unused credits forward to future tax years.
332 When a controlling business expects that new jobs will be created over a period of multiple
333 years, the EACC award of tax credits may allocate and make such credits available to the
334 taxpayer on a schedule that ensures credits are claimed on or after the date that the jobs are
335 created.

336 (b) A certified project that has been designated as an extraordinary economic
337 development opportunity shall be eligible, at the discretion of the secretary of housing and
338 economic development and the secretary of administration and finance, for the alternative EDIP
339 tax credit provided for in paragraph (3) of subsection (g) of section 6 of chapter 62 and
340 subsection (b) of section 38N of chapter 63. The EACC shall not make an award of alternative
341 EDIP tax credits unless the award of such credits is expressly authorized by the secretaries in
342 their decision to designate a certified project as an extraordinary economic development
343 opportunity. A controlling business that receives an award of alternative EDIP tax credits shall
344 not be eligible to receive any other EDIP tax credits for the same certified project.

345 (c) The EACC may grant refundable credits to a certified project; provided that the
346 EACC shall not authorize more than $5,000,000 in refundable credits for any single calendar
347 year. Refundable credits awarded to a certified project that has been designated as an
348 extraordinary economic development opportunity shall not be counted against the cap set forth in
349 this subsection.

350 (d) The total amount of credits that may be authorized by the EACC under this
351 section for any single calendar year shall not exceed $30,000,000, to be calculated in accordance
352 with the relevant provisions of subsection (g) of section 6 of chapter 62 and section 38N of
353 chapter 63. Notwithstanding the cap set forth in the preceding sentence, the EACC may
354 authorize credits in excess of the annual cap of $30,000,000 for a certified project that is
355 designated as an extraordinary economic development opportunity; provided that the total
356 amount awarded shall not exceed $50,000,000 in a calendar year. The EACC may authorize an
357 award of credits to a controlling business that spans multiple years so long as the total amount of
358 credits due to be taken in any single calendar year does not exceed the applicable cap.

359 (e) MOBD shall require the recipient of tax credits awarded pursuant to this section
360 to execute an EDIP contract after the EACC awards tax credits under this section.

361 (f) The decision by the EACC to certify or deny certification to a proposed project
362 pursuant to section 3C, and the decision by the EACC to award or deny tax credits to the
363 controlling business of a certified project pursuant to this section, including without limitation
364 the amount of such award, and any conditions or limitations on such award, shall be decisions
365 that are within the sole discretion of the EACC. Such decisions by the EACC shall be final and

366 shall not be subject to administrative appeal or judicial review under chapter 30A or give rise to
367 any other cause of action or legal or equitable claim or remedy.

368 Section 3E. (a) A municipality may offer a local tax incentive to the owner or
369 controlling business of a certified project, or to the owner of a real estate project, if the
370 municipality determines such project is consistent with the municipality's economic
371 development objectives and is likely to increase or retain employment opportunities for residents
372 of the municipality.

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

383 If a municipality offers tax increment financing to the owner of a certified project, the
384 municipal project endorsement for said certified project shall include a fully executed copy of the
385 tax increment financing agreement adopted in accordance with section 59 of chapter 40. Any tax
386 increment financing agreement shall be approved by the EACC before it shall be valid and
387 enforceable. The EACC may approve such tax increment financing agreement pursuant to

388 regulations adopted by the EACC. Any such approval shall include a finding, reflected in the
389 EACC's minutes, that the tax increment financing agreement complies with said section 59 of
390 said chapter 40 and will further the public purpose of encouraging increased industrial and
391 commercial activity in the commonwealth.

392 (c) A municipality may offer a special tax assessment to the controlling business of a
393 certified project, or to a person or entity undertaking a real estate project, or to a person or entity
394 proposing to retain permanent full-time jobs at a facility that otherwise would be at risk of
395 relocating outside of the commonwealth. Any special tax assessment shall be set forth in a
396 written agreement between the municipality and the property owner. Such agreement shall set
397 forth the amount of the tax reduction and the period of time over which such reduction shall be in
398 effect, which shall be not fewer than 5 years or more than 20 years. Every special tax assessment
399 approved by the EACC shall provide for a reduction of the real property tax that otherwise would
400 be due based on a percentage reduction in the tax that otherwise would be due based on the full
401 assessed value of the affected property. The special tax assessment shall provide for tax
402 reduction at least equal to the following:

403 (1) in the first year, the tax reduction shall be at least 50 per cent of the tax that would
404 be due based on the full assessed value of the affected property;

405 (2) in the second and third years, the tax reduction shall be at least 25 per cent of the
406 tax that would be due based on the full assessed value of the affected property;

407 (3) in the fourth and fifth years, the tax reduction shall be at least 5 per cent of the tax
408 that would be due based on the full assessed value of the affected property.

409 The municipality may at its discretion provide for greater real property tax reductions
410 than provided in clauses (1) to (3) above.

411 The written agreement required by the first paragraph of this subsection shall be
412 approved by the EACC before it shall be valid and enforceable. The EACC may approve such
413 special tax assessments pursuant to rules or regulations adopted by the EACC if the EACC
414 determines that: (i) the municipality has made a formal determination that the property owner is
415 either undertaking a project or making other investment that will contribute to economic
416 revitalization of the municipality and will significantly increase employment opportunities for
417 residents of the municipality, or is retaining permanent full-time employees that otherwise would
418 be relocated to a facility outside the commonwealth; (ii) the special tax assessment is reasonably
419 necessary to enable the owner's investment in the project or to retain the jobs that otherwise
420 would be relocated; and (iii) the total amount of local tax foregone is reasonably proportionate to
421 the public benefits resulting from the special tax assessment. Any such approval shall include a
422 finding, reflected in the EACC's minutes, that the special tax assessment complies with the
423 requirements of this section.

424 (d) Any tax increment financing agreement or special tax assessment approved by the
425 EACC may not be amended without the approval of the EACC.

426 Section 3F. (a) No later than 2 years after the initial certification of a project by
427 the EACC, and annually thereafter, the controlling business or affiliate awarded EDIP tax credits
428 shall file with MOBD a report, signed by an authorized representative of the controlling business
429 or affiliate, certifying whether the controlling business or affiliate has achieved the job creation

430 projections, job retention projections and other material obligations or representations set forth in
431 the EDIP contract.

432 (b) In the event that MOBD shall find that a controlling business or an affiliate is in
433 material non-compliance with a representation made to the EACC in its application for project
434 certification or the obligations set forth in an EDIP contract, MOBD may recommend to the
435 EACC that it revoke the project certification. Prior to making such recommendation, MOBD
436 shall provide written notice to the controlling business stating the basis for the recommended
437 revocation and offering the controlling business an opportunity for a hearing at which the
438 controlling business may contest the basis for the recommendation or establish mitigating
439 circumstances which may be relevant to the recommendation.

440 (c) The EACC may revoke a project certification if it determines that a controlling
441 business or affiliate is in material non-compliance with a representation made in its application
442 for project certification or the obligations set forth in an EDIP contract. The EACC shall have
443 the discretion to determine whether material non-compliance shall result in revocation of a
444 project certification, taking into account:

445 (1) the conduct of the controlling business subsequent to the project certification;

446 (2) the extent to which the material non-compliance is the result of unforeseen
447 conditions that are outside the control of the controlling business;

448 (3) the potential impact on the municipality in which the certified project is located;
449 and

450 (4) such other considerations as the EACC shall establish by regulation or policy.

451 Where the EACC determines that material non-compliance is due to factors outside the
452 control of the controlling business, the EACC may elect to provide the controlling business with
453 reasonable opportunity to cure the material non-compliance. If the EACC revokes a project's
454 certification, it shall determine the proportion of compliance with job creation requirements
455 applicable to the certified project, and shall report the proportion of compliance to the controlling
456 business and to the department of revenue.

457 (d) Revocation of a project certification shall take effect on the first day of the tax
458 year in which the material non-compliance occurred, as determined by the EACC. If the EACC
459 revokes a project certification, then: (i) all EDIP tax credits available to the controlling business
460 shall be recaptured in accordance with subsection (g) of section 6 of chapter 62 and subsection
461 (i) of section 38N of chapter 63; and (ii) the local tax incentive, if any, shall terminate unless the
462 written agreements between the municipality and the controlling business provide otherwise. In
463 the event of such termination, the municipality may, at its discretion, preserve the local tax
464 incentive by amending the written agreement with the controlling business in the same manner as
465 the municipality approved it, and submitting such amendment to the EACC for approval in
466 accordance with this section.

467 (e) If a controlling business has claimed tax credits awarded under this chapter prior
468 to the date on which the EACC makes a determination to revoke project certification, then the
469 recapture provisions of subsection (g) of section 6 of chapter 62 and subsection (i) of section
470 38N of chapter 63 shall apply. If a controlling business has benefited from a local tax incentive
471 under this chapter prior to the revocation of a project certification, then notwithstanding any
472 provision of the general laws to the contrary, the municipality that offered the local tax incentive
473 may recapture the value of the tax not paid by making a special assessment on the controlling

474 business in the tax year that follows the EACC's decision to revoke project certification. The
475 assessment, payment and collection of the special assessment shall be governed by procedures
476 provided for the taxation of omitted property under section 75 of chapter 59 notwithstanding the
477 time period set forth in said chapter 59 for which omitted property assessments may be imposed
478 for each of the fiscal years included in the special assessment.

479 Section 3G. (a) The EACC may designate 1 or more areas of the commonwealth as
480 an economic target area or economic opportunity area in connection with an application from a
481 municipality seeking such designation under the federal empowerment zones and enterprise
482 communities program, so called, or other local, state or federal programs that contemplate such
483 designations. Designations of new economic target areas, if any, shall be made in accordance
484 with the criteria set forth in subsection (b). Designations of new economic opportunity areas, if
485 any, shall be made at the discretion of the EACC in accordance with regulations to be
486 promulgated by the EACC, or rules or policies adopted by the EACC.

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

490 (1) the proposed economic target area has an unemployment rate that exceeds the
491 statewide average by at least 25 per cent;

492 (2) if the proposed economic target area is located in a metropolitan area, then at least
493 51 per cent of the households in the proposed economic target area have incomes that are below
494 80 per cent of the median income for households in the metropolitan area;

495 (3) if the proposed economic target area is not located in a metropolitan area, then at
496 least 51 per cent of the households in the proposed economic target area have incomes that are
497 below 80 per cent of the median income for households in the commonwealth;

498 (4) the proposed economic target area has a poverty rate which is at least 20 per cent
499 higher than the average poverty rate for the commonwealth;

500 (5) the area proposed for designation has heightened economic need due to: (i) an
501 industrial or military base closure; (ii) the presence of underutilized maritime or electric
502 generation facilities; or (iii) a commercial vacancy rate exceeding 20 per cent; or

503 (6) the area proposed for designation has exceptional potential for economic
504 development as a result of: (i) the proposed redevelopment of blighted real estate or abandoned
505 buildings totaling at least 1,000,000 square feet; (ii) the proposed establishment of a regional
506 technology center of 3,000,000 or more square feet; or (iii) the proposed development of a Class
507 I renewable energy generating facility.

508 (c) Any municipality which contains an economic opportunity may make application
509 to the foreign trade zone board in accordance with 19 U.S.C. sections 81(a) to 81(u), inclusive,
510 for a grant to said city or town for the privilege of establishing, operating and maintaining a
511 foreign trade zone within its economic opportunity area. Upon petition from a city or town, the
512 EACC may authorize any other city or town to make application to said foreign trade zone board
513 for a grant to said city or town for the privilege of establishing, operating and maintaining a
514 foreign trade zone.

515 SECTION 7. Subsection (a) of section 3J of said chapter 23A, as so appearing, is hereby
516 amended by striking out the first paragraph and inserting in place thereof the following
517 paragraph:-

518 The Massachusetts office of business development shall establish a plan to support
519 regionally-based efforts to grow and retain existing businesses and attract new business to the
520 commonwealth. To implement the regional plan and to provide efficient and consistent response
521 to businesses seeking assistance from the commonwealth, the office shall contract with regional
522 economic development organizations, as defined in section 3K. The contracts and
523 reimbursements shall be designed to support regionally-based efforts to stimulate, encourage,
524 facilitate and nurture economic growth and prosperity in the commonwealth, including, but not
525 limited to, the identification of regional competitive strengths, challenges and opportunities,
526 regional cluster development strategies, long-range regional skills pipeline, transportation and
527 land use planning, and other systems-based activities related to the growth and retention of
528 existing businesses and the attraction of new businesses into the commonwealth. The contracts
529 shall support a network of partnerships between regional economic development organizations
530 and the Massachusetts office of business development.

531 SECTION 8. Said section 3J of said chapter 23A, as so appearing, is hereby further
532 amended by striking out subsection (c) and inserting in place thereof the following subsection:-

533 (c) Contracts for services entered into under this section shall include, but not be limited
534 to, the following services to be performed by the organization on behalf of the commonwealth:
535 (i) assess regional competitive strengths, weaknesses and opportunities; (ii) represent the
536 regional business community in long-range skills pipeline planning efforts to ensure robust skills

537 and talent pipelines that meet regional needs; (iii) represent the regional business community in
538 collaborative, long-range skills, transportation and land use planning; (iv) promote regionally
539 significant industry clusters; (v) promote connections across sectors of the regional economy;
540 (vi) maintain an inventory of key development parcels; (vii) market the region in coordination
541 with the Massachusetts marketing partnership established under section 13A; and (viii) furnish
542 advice and assistance to businesses and industrial prospects which may locate in the region.

543 SECTION 9. Section 65 of chapter 23A of the General Laws, added by section 12 of
544 chapter 286 of the acts of 2014, is hereby amended by striking subjection (j) and inserting in
545 place thereof the following subsection:-

546 (j) The department shall consult with the Massachusetts department of agricultural
547 resources in the development and implementation of the Massachusetts food trust program. To
548 the maximum extent feasible, a community development financial institution and the department
549 shall seek to align efforts with the recommendations of the Massachusetts local food action plan
550 accepted by the Massachusetts food policy council in 2015, or subsequent plans accepted by said
551 council.

552 SECTION 10. Said chapter 23A is hereby amended by striking out section 65, added by
553 section 29 of chapter 287 of the acts of 2014, and inserting in place thereof the following
554 section:-

555 Section 66. (a) The secretary of housing and economic development shall establish a
556 financial services advisory council in the executive office of housing and economic
557 development, which shall have the sole purpose of advising the governor or the governor's
558 designee on policies, strategies and initiatives designed to preserve and advance the

559 competitiveness and leadership of the commonwealth's financial services industry, including the
560 banking, investment management and insurance sectors.

561 (b) The council shall be composed of 15 members including: the secretary of housing and
562 economic development, who shall serve as chair; the house and senate chairs of the joint
563 committee on economic development and emerging technologies; the house and senate chairs of
564 the joint committee on financial services; the commissioner of higher education; the executive
565 director of the Massachusetts international trade office established in section 13K; and 8
566 representatives of the business community who shall be appointed by the secretary of housing
567 and economic development, including at least 2 business representatives from each of the
568 following sectors: banking, investment management and insurance sectors; at least 1 business
569 representative shall be from a company whose headquarters is located in Suffolk, Middlesex,
570 Essex, Norfolk or Worcester county; at least 1 business representative shall be from a company
571 whose headquarters is located in Hampshire, Hampden, Franklin or Berkshire county; and at
572 least 1 business representative shall be from a company whose headquarters is located in Bristol,
573 Plymouth, Nantucket, Dukes or Barnstable county. The secretary, in making such appointments,
574 shall consider the size of the business representative's company, including its employee base
575 within the commonwealth and the amount of assets under management or premiums in force.
576 Business representatives shall be appointed for 2-year terms and may be reappointed without
577 limitation on the number of terms.

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

582 SECTION 11. Subsection (c) of section 5 of chapter 23G of the General Laws, as
583 appearing in the 2014 Official Edition, is hereby amended by striking out paragraph (1) and
584 inserting in place thereof the following paragraph:-

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

587 SECTION 12. Said subsection (c) of said section 5 of said chapter 23G, as so appearing,
588 is further amended by striking out paragraph (8) and inserting in place thereof the following
589 paragraph:-

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

594 SECTION 13. Section 7 of chapter 23G of the General Laws, as so appearing, is hereby
595 amended by striking out, in line 31, the figure "$500,000" and inserting in place thereof the
596 following figure:- $1,000,000.

597 SECTION 14. Section 8 of chapter 23H of the General Laws, as so appearing, is hereby
598 amended by striking out, in lines 7 to 8, the words "persons residing in economic opportunity
599 areas,".

600 SECTION 15. Section 5 of chapter 23I of the General Laws, as so appearing, is hereby
601 amended by striking out, in line 69, the words "in an economic opportunity area pursuant to
602 section 3F" and inserting in place thereof the following words:- as defined in section 3A.

603 SECTION 16. Section 49 of chapter 23K of the General Laws, as so appearing, is hereby
604 amended by striking out in line 3, the figure "3F" and inserting in place thereof the following
605 figure:- 3C.

606 SECTION 17. Said section 49 of said chapter 23K, as so appearing, is hereby further
607 amended by striking out, in line 5, the figure "3E" and inserting in place thereof the following
608 figure:- 3G.

609 SECTION 18. Said section 49 of said chapter 23K, as so appearing, is hereby further
610 amended by striking out, in lines 25 to 26, the words, "the economic opportunity area" and
611 inserting in place thereof the following words:- EDIP tax credit and alternative EDIP tax.

612 SECTION 19. Section 59 of chapter 40 of the General Laws, as so appearing, is hereby
613 amended by striking out, in lines 11 to 15, the words "an economic target area or an area
614 presenting exceptional opportunities for increased economic development, as defined by section
615 3D of chapter 23A and as may be defined further by regulations adopted by the economic
616 assistance coordinating council" and inserting in place thereof the following words:- an
617 economic target area as defined in section 3G of chapter 23A, or an area designated by the
618 economic assistance coordinating council as a TIF-eligible area pursuant to subsection (b) of
619 section 3E of said chapter 23A.

620 SECTION 20. Said section 59 of said chapter 40, as so appearing, is hereby further
621 amended by striking out, in lines 84 and 88, the figure "3F" and inserting in place thereof, in
622 each instance, the figure:- 3E.

623 SECTION 21. Section 60 of said chapter 40, as so appearing, is hereby amended by
624 striking out, in lines 5 to 7, the words "the director of housing and community development, in

625 consultation with the department of economic development and" and inserting in place thereof
626 the following words:- the department of housing and community development, in consultation
627 with.

628 SECTION 22. Said section 60 of chapter 40, as so appearing, is hereby further amended
629 by striking out, in lines 15 to 18, the words "characterized by a predominance of commercial
630 land uses, a high daytime or business population, a high concentration of daytime traffic and
631 parking" and inserting in place thereof the following words:- located within an area of
632 concentrated development, as that term is defined in section 2 of chapter 40R, characterized by a
633 predominance of commercial land uses.

634 SECTION 23. Subsection (a) of said section 60 of said chapter 40, as so appearing, is
635 hereby further amended by striking out clause (ii) and inserting in place thereof the following
636 clause:-

637 (ii) describe the construction, reconstruction, rehabilitation and related activities, public
638 and private, contemplated for such UCH-TIF zone as of the date of the adoption of the UCH-TIF
639 plan; provided, however, that in the case of public construction as aforesaid, the UCH-TIF plan
640 shall include a detailed projection of the costs and a betterment schedule for the defrayal of such
641 costs; provided further, that the UCH-TIF plan shall provide that no costs of such public
642 construction shall be recovered through betterments or special assessments imposed on a party
643 which has not executed an UCH-TIF agreement in accordance with clause (v); and provided,
644 further, that in the case of private construction as aforesaid, the UCH-TIF plan shall include the
645 types of affordable housing and residential and commercial growth which are projected to occur

646 within such UCH-TIF zone together with such documentary evidence of the projected public
647 benefits as are required by the regulations;

648 SECTION 24. Clause (iii) of subsection (a) of said section 60 of said chapter 40, as so
649 appearing, is hereby further amended by striking out subclause (1)-(3), inclusive, and inserting
650 in place thereof the following subclause:-

651 (1) the numerator of which shall be:

652 In an UCH-TIF zone where the property includes primarily residential uses, the total
653 assessed value of all parcels of all residential real estate that are assessed at full and fair cash
654 value for the current fiscal year minus the new growth adjustment factor for the current fiscal
655 year attributable to the residential real estate as determined by the commissioner of revenue
656 pursuant to paragraph (f) of section 21C of said chapter 59; or

657 In an UCH-TIF zone where the property includes a mix of residential and commercial
658 uses, the total assessed value of all parcels of all residential and commercial real estate that are
659 assessed at full and fair cash value for the current fiscal year minus the new growth adjustment
660 factor for the current fiscal year attributable to the residential and commercial real estate as
661 determined by the commissioner of revenue pursuant to said paragraph (f) of said section 21C of
662 said chapter 59; and

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

666 SECTION 25. Subsection (a) of said section 60 of said chapter 40, as so appearing, is
667 hereby further amended by striking out clause (v) and inserting in place thereof the following
668 clause:-

669 (v) state that each owner of property located in an UCH-TIF zone seeking to establish
670 eligibility for tax increment exemptions from annual property taxes pursuant to clause (iii) shall
671 execute an agreement, hereinafter referred to as an UCH-TIF agreement, with the city or town,
672 the form of which shall be included as an attachment to the UCH-TIF plan. The UCH-TIF
673 agreement shall include, but not be limited to, the following: (1) all material representations of
674 the parties which served as a basis for the granting of a UCH-TIF exemption; (2) any terms
675 deemed appropriate by the city or town relative to compliance with the UCH-TIF agreement
676 including, but not limited to, what shall constitute a default by the property owner and what
677 remedies shall be allowed between the parties for any such defaults, including an early
678 termination of the agreement; (3) provisions requiring that one of the affordability thresholds
679 described in subsection (b) is met; (4) provisions stating that housing units that meet the
680 affordability requirements of subsection (b) shall be subject to use restrictions as defined in this
681 section; (5) a detailed recitation of the tax increment exemptions and the maximum percentage of
682 the cost of public improvements that can be recovered through betterments or special
683 assessments regarding a parcel of real property pursuant to clauses (iii) and (iv); (6) a detailed
684 recitation of all other benefits and responsibilities inuring to and assumed by the parties to an
685 agreement; and (7) a provision that the agreement shall be binding upon subsequent owners of
686 the parcel of real property; and

687 SECTION 26. Said section 60 of said chapter 40, as so appearing, is hereby further
688 amended by striking out subsections (b) to (e), inclusive, and inserting in place thereof the
689 following 5 subsections:-

690 (b) As a condition of the granting of an UCH-TIF exemption, a property owner must
691 satisfy 1 of the following affordability thresholds:

692 (i) At least 15 per cent of the housing units assisted by the UCH-TIF agreement shall
693 be affordable to occupants or families with incomes at or below 80 per cent of the area median
694 income where the city or town is located, as defined by the United States Department of Housing
695 and Urban Development, hereinafter referred to as AMI; or

696 (ii) At least 25 per cent of the housing units assisted by the UCH-TIF agreement shall
697 be affordable to occupants or families with incomes at or below 110 per cent of the AMI; or

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

702 In addition, to support a finding of public benefit based on residential and commercial
703 growth in an urban center, at least one of the following conditions must be met:

704 (i) The UCH-TIF zone has either: (1) an unemployment rate that exceeds the statewide
705 average by at least 25 per cent, (2) a commercial vacancy rate of 15 per cent or more; or (3) an
706 average household income below 115 per cent of the AMI;

707 (ii) At least 51% of the land area within the UCH-TIF zone is located within a qualified
708 census tract, as defined in Section 42(d)(5) of the Internal Revenue Code; or

709 (iii) At least 51% of the land area within the UCH-TIF zone constitutes a: (1) blighted
710 open area, (2) decadent area or (3) sub-standard area, as defined in section 1 of chapter 121A.

711 (c) The department of housing and community development shall review each UCH-
712 TIF plan to determine whether it complies with the terms of this section and any regulations
713 adopted by the department; provided further, that the department shall certify, based upon the
714 information submitted in support of the UCH-TIF plan by the city or town and through such
715 additional investigation as the department may make, that the plan is consistent with the
716 requirements of this section and will further the public purpose of encouraging increased
717 residential growth, affordable housing and commercial growth in the commonwealth; provided
718 further, that a city or town may, at any time, revoke its designation of a UCH-TIF zone and, as a
719 consequence of such revocation, shall immediately cease the execution of any additional
720 agreements pursuant to clause (v) of subsection (a); provided, further, that a revocation shall not
721 affect agreements relative to property tax exemptions and limitations on betterments and special
722 assessments pursuant to said clause (v) of said subsection (a), use restrictions or options to
723 purchase and rights of first refusal required by this section which were executed before the
724 revocation.

725 (d) The board, agency, or officer of the city or town authorized pursuant to clause (vi)
726 of said subsection (a) to execute UCH-TIF agreements shall submit each executed UCH-TIF
727 agreement to the department of housing and community development for approval. The
728 department shall, as a condition of such approval, certify that the UCH-TIF agreement complies

729 with the terms of this section and furthers the public purpose of encouraging increased residential
730 growth, affordable housing and commercial growth in the commonwealth. Upon receipt of the
731 department's certification, the board, agency or officer of the city or town authorized pursuant to
732 said clause (vi) of said subsection (a) to execute UCH-TIF agreements shall forward to the board
733 of assessors a copy of the approved UCH-TIF agreement, together with a list of the parcels
734 included therein. An executed and approved UCH-TIF shall be recorded in the registry of deeds
735 or the registry district of the land court wherein the land lies.

736 (e) Notwithstanding any other general or special law to the contrary, an affordable
737 housing development that benefits from a real estate tax exemption pursuant to this section that
738 meets the affordability requirements of subsection (b) and subclause (3) of clause (v) of
739 subsection (a) shall continue to meet those requirements for 30 years or for the term of any
740 municipal bonds issued to finance the construction, reconstruction or rehabilitation of such
741 development, whichever is shorter as may be specified in the recorded restriction. Such
742 restriction shall be approved by the department of housing and community development in
743 accordance with section 32 of chapter 184 and shall be recorded in the registry of deeds or the
744 registry district of the land court wherein the land lies.

745 (f) The owner of property subject to an UCH-TIF agreement shall certify to the city
746 or town the incomes of the families or occupants, upon initial occupancy, of the affordable
747 housing units designated in the UCH-TIF agreement and such certification shall be provided to
748 the department of housing and community development on an annual basis. If the owner fails to
749 provide certification or otherwise fails to comply with the UCH-TIF agreement, including failing
750 to maintain the affordability of housing units assisted pursuant to this section, the city or town
751 may place a lien on the property in the amount of the real estate tax exemptions granted pursuant

752 to the UCH-TIF agreement for any year in which the owner is not in compliance with this
753 subsection. If the city or town determines, with the approval of the department of housing and
754 community development, that the owner is unlikely to come into compliance with the
755 affordability requirements of said subsection (b) and said subclause (3) of said clause (v) of said
756 subsection (a), the city or town may place a lien on the property in the amount of the total real
757 estate tax exemption granted pursuant to the UCH-TIF agreement. Any such lien shall be
758 recorded in the registry of deeds or the registry district of the land court wherein the land lies.

759 SECTION 27. Section 6 of chapter 40A, as so appearing, is hereby amended by striking
760 out, in line 29, the word "six" and inserting in place thereof the following figure:- 12.

761 SECTION 28. Section 9 of said chapter 40A, as so appearing, is hereby amended by
762 striking out, in line 165, the word "two" and inserting in place thereof the following figure:- 3.

763 SECTION 29. Section 4 of chapter 40G of the General Laws, as so appearing, is hereby
764 amended by striking out, in line 85, the words "as defined in section 3D" and inserting in place
765 thereof the following words:- designated pursuant to section 3G.

766 SECTION 30. Section 2 of chapter 40H of the General Laws, as so appearing, is hereby
767 amended by striking out, in lines 59 to 60, the words "section 3D of chapter 23A" and inserting
768 in place thereof the following words:- section 3G of chapter 23A, or meeting the criteria for
769 such designation.

770 SECTION 31. Section 4G of chapter 40J of the General Laws, as so appearing, is hereby
771 amended by striking out the figure "$3" in lines 19 and 24 and inserting in place thereof the
772 following figure:- $1.

773 SECTION 32. Section 6D of said chapter 40J, as so appearing, is hereby amended by
774 adding the following subsection:-

775 (g) The institute shall, in consultation with the secretary of housing and economic
776 development and informal advisers from the public and private sectors, develop strategies and
777 action plans to facilitate the continued development and accelerating growth of the e-health
778 cluster in the commonwealth involving a range of products, services and systems at the
779 intersection of medicine, healthcare and information technology, including without limitation:
780 (1) electronic health records, (2) consumer wearable devices, (3) care systems, (4) payment
781 management systems, (5) healthcare robotics, (6) telemedicine and (7) big data analytics, for the
782 purpose of improving health care quality, reducing costs and supporting the expansion of
783 economic opportunities for the citizens of the commonwealth. Without limiting the generality of
784 the foregoing, the institute is authorized to: (i) develop a market access program connecting
785 provider and payer needs with ideas and products through pilot programs, (ii) undertake a
786 healthcare big data initiative designed to improve healthcare data transparency and availability,
787 and (iii) create opportunities for e-health cluster stakeholders, including investors, entrepreneurs
788 and healthcare providers, to convene to exchange ideas and make connections. In furtherance of
789 the purposes of this subsection, the institute shall coordinate and collaborate with such other
790 commonwealth agencies, authorities and public instrumentalities as the secretary of housing and
791 economic development may suggest and shall endeavor to identify moneys and resources that
792 could be made available for such purposes. The corporation is authorized to expend moneys
793 credited to the e-Health Institute Fund established in section 6E for the purposes of this
794 subsection, without compliance with any further restrictions contained in section 6E, and to

795 expend for such purposes any other moneys available to the corporation that are not otherwise
796 expressly restricted by law.

797 SECTION 33. Section 2 of chapter 40R of the General Laws, as so appearing, is hereby
798 amended by inserting after the definition of "Approved smart growth zoning district" the
799 following definition:

800 "Approved starter home zoning district", a starter home zoning district that has been
801 adopted by a city or town and approved by the department in accordance with this chapter and
802 the regulations of the department, so as to be eligible for the receipt of financial and other
803 incentives. The department may revoke its approval if the obligations of the city or town are not
804 met.

805 SECTION 34. Said section 2 of said chapter 40R, as so appearing, is hereby further
806 amended by inserting after the definition of "Approving authority" the following definition:-

807 "Area of concentrated development", a center of commercial activity within a
808 municipality, including town and city centers, other existing commercial districts in cities and
809 towns, and existing rural village districts.

810 SECTION 35. Said section 2 of said chapter 40R, as so appearing, is hereby further
811 amended by striking out the definition of "developable land area" and inserting in place thereof
812 the following definition:-

813 "Developable land area", that area within an approved smart growth or starter home
814 zoning district that can be feasibly developed into residential or mixed use development
815 determined in accordance with regulations of the department. Developable land area shall not

816 include: (1) land area that is already substantially developed, including existing parks and
817 dedicated, perpetual open space within such substantially developed portion; (2) open space
818 designated by the city or town as provided in section 6; or (3) areas exceeding ½ acre of
819 contiguous land that are unsuitable for development because of topographic features or for
820 environmental reasons, such as wetlands.

821 It shall include the land area occupied by or associated with underutilized residential,
822 commercial, industrial or institutional buildings or uses that have the potential to be recycled or
823 converted into residential or mixed use developments as determined in accordance with
824 regulations of the department.

825 SECTION 36. Said section 2 of said chapter 40R, as so appearing, is hereby further
826 amended by striking out the definition of "eligible locations" and inserting in place thereof the
827 following definition:-

828 "Eligible locations", areas that by virtue of their infrastructure, transportation access,
829 existing underutilized facilities, or location make highly suitable locations for residential or
830 mixed use smart growth zoning districts or starter home zoning districts, including without
831 limitation (1) areas near transit stations, including rapid transit, commuter rail and bus and ferry
832 terminals; or (2) areas of concentrated development, including town and city centers, other
833 existing commercial districts in cities and towns, and existing rural village districts.

834 SECTION 37. Said section 2 of said chapter 40R, as so appearing, is hereby further
835 amended by striking the definitions of "Letter of eligibility" and "Mixed use development" and
836 inserting in place thereof the following 4 definitions:-

837 “Housing production plan”, an affordable housing plan adopted by a municipality and
838 approved by the department in accordance with its regulations.

839 “Housing production summary”, a detailed summary of the city or town’s: (1) affordable
840 housing production history, (2) housing needs and housing demand assessment, (3) analysis of
841 development constraints and capacity, (4) current housing goals and strategy for achieving those
842 goals and (5) proposed locations for affordable housing production.

843 “Letter of eligibility”, a letter to a city or town to be issued by the department within 60
844 days of receiving a complete and approvable application from a city or town for approval of a
845 smart growth or starter home zoning district.

846 “Mixed use development”, a development containing a mix of residential uses and non-
847 residential uses, including, without limitation: commercial, institutional, industrial or other uses;
848 all conceived, planned and integrated to create vibrant, workable, livable and attractive
849 neighborhoods.

850 SECTION 38. Said section 2 of said chapter 40R, as so appearing, is hereby further
851 amended by inserting after the definition of “Open space” the following 2 definitions:-

852 “Production bonus payment”, a one-time payment to a municipality from the Smart
853 Growth Housing Trust Fund established in section 35AA of chapter 10 for each housing unit of
854 new construction that is created in a starter home zoning district pursuant to the starter home
855 overlay provisions of the applicable zoning ordinance or by-law.

856 “Project”, a proposed residential or mixed-use development within a smart growth or
857 starter home zoning district.

858 SECTION 39. Said section 2 of said chapter 40R, as so appearing, is hereby further
859 amended by inserting after the definition of “Smart growth zoning district certificate of
860 compliance” the following 3 definitions:-

861 “Starter home”, a single family home not exceeding 1,850 square feet in heated living
862 area; provided, however that nothing herein shall preclude a city or town from adopting a starter
863 home zoning district that would permit construction on a single lot in a starter home zoning
864 district of an accessory dwelling unit of 600 square feet or less on the same lot as a starter home.

865 “Starter home zoning district", a zoning district consisting of not less than 3 contiguous
866 acres of developable land area, adopted by a city or town pursuant to this chapter, that is
867 superimposed over 1 or more zoning districts in an eligible location, within which a developer
868 may elect to either : (1) develop starter homes in accordance with requirements of the starter
869 home zoning district ordinance or by-law or (2) develop a project in accordance with
870 requirements of the underlying zoning district, and otherwise consistent with department
871 guidance.

872 “Starter home zoning district certificate of compliance”, a written certification by the
873 department in accordance with section 7.

874 SECTION 40. Section 3 of said chapter 40R, as so appearing, is hereby amended by
875 inserting, after the word “district”, in lines 2 and 7, the following words:- or starter home
876 zoning district.

877 SECTION 41. Said section 3 of said chapter 40R, as so appearing, is hereby further
878 amended by inserting, after the word “districts”, in line 15, the following words:- or starter
879 home zoning districts.

880 SECTION 42. Section 4 of said chapter 40R, as so appearing, is hereby amended by
881 inserting after the word “growth” in line 3 the following words:- or starter home.

882 SECTION 43. Said section 4 of said chapter 40R, as so appearing, is hereby further
883 amended by inserting after the word “district” in line 14 the following words:- or starter home
884 zoning district.

885 SECTION 44. Said chapter 40R, as so appearing, is hereby amended by striking out
886 sections 5 to 10, inclusive, and inserting in place thereof the following 6 sections:-

887 Section 5. The chief executive of a city or town desiring to adopt a smart growth zoning
888 district or starter home zoning district ordinance or by-law shall submit the necessary materials
889 to the department for a preliminary determination of eligibility for approval. The information in
890 the application shall:

891 (a) identify and describe the boundaries of the proposed smart growth zoning district
892 or starter home zoning district;

893 (b) identify and describe the developable land area within the proposed smart growth
894 zoning district or starter home zoning district;

895 (c) as to smart growth zoning districts only, identify and describe other residential
896 development opportunities for infill housing and the residential re-use of existing buildings and
897 underutilized buildings within already developed areas;

898 (d) include any comprehensive housing plan or housing production plan previously
899 adopted by the city town or, if the city or town has no comprehensive housing plan or housing
900 production plan, a housing production summary, as set forth in section 8;

901 (e) include a copy of the proposed smart growth district or starter home zoning
902 district ordinance or by-law;

903 (f) by narrative and exhibits, establish the elements set forth in section 6.

904 Section 6. (a) A proposed smart growth zoning district or starter home zoning district
905 shall satisfy the following minimum requirements:

906 (1) Each proposed district shall be located in an eligible location.

907 (2) The zoning for each proposed smart growth zoning district shall provide for
908 residential use to permit a mix of housing for families, individuals, persons with special needs
909 and the elderly.

910 (3) Housing density in a proposed smart growth district shall be at least: 20 units per
911 acre for multi-family housing on the developable land area, 8 units per acre for single-family
912 homes on the developable land area, and 12 units per acre for 2 and 3 family buildings on the
913 developable land area. Housing density in a proposed starter home district shall satisfy the
914 following criteria: (a) the density shall be no less than 4 units per acre of developable land area;
915 (b) the development shall emphasize smart growth principles of development, such as cluster
916 development and other forms of development providing for common open space usable for
917 passive or active recreational activities, or the use of low-impact development techniques; and
918 (c) at least 50 per cent of the starter homes to be developed in a proposed starter home district,
919 excluding accessory dwelling units, must contain 3 or more bedrooms.

920 (4) The zoning ordinance or by-law for each proposed smart growth zoning district
921 shall provide that not less than 20 per cent of the residential units constructed in projects of more

922 than 12 units shall be affordable housing and shall contain mechanisms to ensure that not less
923 than 20 per cent of the total residential units constructed in each proposed district shall be
924 affordable housing.

925 (5) The zoning ordinance or by-law for each proposed starter home zoning district
926 shall provide that, as a condition of the increased density permitted in a starter home zoning
927 district, not less than 20 per cent of the residential units created as starter homes shall be
928 affordable to and occupied by individuals and families whose annual income is less than 100 per
929 cent of the area median income as determined by the United States Department of Housing and
930 Urban Development, and shall contain mechanisms to ensure that the required percentage of the
931 total residential units constructed in each proposed starter home district shall meet such
932 affordability requirements, including an affordable housing restriction, as defined in section 31
933 of chapter 184, that has a term of not less than 30 years.

934 (6) A proposed smart growth zoning district shall permit infill housing on existing
935 vacant lots and shall allow the provision of additional housing units in existing buildings,
936 consistent with neighborhood building and use patterns, building codes and fire and safety codes.

937 (7) A proposed smart growth zoning district or starter home zoning district shall not
938 be subject to limitation of the issuance of building permits for residential uses or a local
939 moratorium on the issuance of such permits. In addition, a proposed starter home zoning district
940 shall not be subject to any municipal environmental or health ordinances, bylaws or regulations
941 that exceed applicable requirements of state law or regulation, unless the department of
942 environmental protection has determined that specific local conditions warrant imposition of
943 more restrictive local standards, or the imposition of such standards would not render infeasible

944 the development contemplated under the comprehensive housing plan, housing production plan
945 or housing production summary submitted as part of the application for such district.

946 (8) A proposed smart growth zoning district or starter home zoning district shall not
947 impose restrictions on age or any other occupancy restrictions on the district as a whole. This
948 shall not preclude the development of specific projects within a smart growth zoning district that
949 may be exclusively for the elderly, the disabled or for assisted living. Not less than 25 per cent of
950 the housing units in such a project within a smart growth zoning district shall be affordable
951 housing, as defined in section 2.

952 (9) Housing in a smart growth zoning district or starter home zoning district shall
953 comply with federal, state and local fair housing laws.

954 (10) A proposed smart growth zoning district or starter home zoning district may not
955 exceed 15 per cent of the total land area in the city or town. Upon request, the department may
956 approve a larger land area if such approval serves the goals and objectives of this chapter.

957 (11) The aggregate land area of all approved smart growth zoning districts and starter
958 home zoning districts in the city or town may not exceed 25 per cent of the total land area in the
959 city or town. The department may approve a larger combined land area if the department
960 determines that such approval serves the goals and objectives of this chapter.

961 (12) Housing density in any proposed district shall not over burden infrastructure as it
962 exists or may be practicably upgraded in light of anticipated density and other uses to be retained
963 in the district.

964 (13) A proposed smart growth zoning district or starter home zoning district ordinance
965 or by-law shall define the manner of review by the approving authority in accordance with
966 section 11 and shall specify the procedure for such review in accordance with regulations of the
967 department.

968 (b) A city or town may modify or eliminate the dimensional standards contained in
969 the underlying zoning in the smart growth zoning district or starter home zoning district
970 ordinance or by-law in order to support desired densities, mix of uses and physical character. The
971 standards that are subject to modification or waiver may include, but shall not be limited to;
972 height, setbacks, lot coverage, parking ratios and locations and roadway design standards.
973 Modified requirements may be applied as of right throughout all or a portion of the smart growth
974 zoning district or starter home zoning district, or on a project specific basis through the smart
975 growth zoning district or starter home zoning district plan review process as provided in the
976 ordinance or by-law. A city or town may designate certain areas within a smart growth zoning
977 district or starter home zoning district as dedicated perpetual open space through the use of a
978 conservation restriction as defined in section 31 of chapter 184 or such other means as may be
979 created by state law. The amount of such open space shall not be included as developable land
980 area within the smart growth zoning district or starter home zoning district. Open space may
981 include an amount of land equal to up to 10 per cent of what would otherwise be the developable
982 land area if the developable land would be less than 50 acres, and 20 per cent of what would
983 otherwise be the developable land area if the developable land area would be 50 acres or more.

984 (c) The zoning for a proposed smart growth zoning district may provide for mixed
985 use development.

986 (d) A smart growth zoning district or starter home zoning district may encompass an
987 existing historic district or districts. A city or town, with the approval of the department, may
988 establish a historic district in an approved smart growth zoning district or starter home zoning
989 district in accordance with chapter 40C, so long as the establishment of the historic district meets
990 the requirements for such a historic district and does not render the city or town noncompliant
991 with this chapter, as determined by the department. The historic districts may be coterminous or
992 non-coterminous with the smart growth zoning district or starter home zoning district. Within
993 any such historic district, the provisions and requirements of the historic district may apply to
994 existing and proposed buildings.

995 (e) A city or town may require more affordability than required by this chapter, both
996 in the percentage of units that must be affordable, and in the levels of income for which the
997 affordable units must be accessible, provided, however, that affordability thresholds shall not
998 unduly restrict opportunities for development.

999 (f) With respect to a city or town with a population of fewer than 10,000 persons, as
1000 determined by the most recent federal decennial census, for hardship shown, the department
1001 may, pursuant to regulations adopted under this chapter, approve zoning for a smart growth
1002 zoning district with lower densities than provided in this chapter, if the city or town satisfies the
1003 other requirements set forth in this section; provided, however, that such approval shall not be
1004 withdrawn solely because, in a future census, the population of the city or town exceeds 10,000
1005 persons.

1006 (g) Any amendment or repeal of a zoning ordinance or by-law affecting an approved
1007 smart growth zoning district or starter home zoning district shall not be effective without the

1008 written approval by the department. Each amendment or repeal shall be submitted to the
1009 department with an evaluation of the effect on the city or town's comprehensive housing plan or
1010 housing production plan, if any. Amendments shall be approved only to the extent that the
1011 district remains in compliance with this chapter. If the department does not respond to a
1012 complete request for approval of an amendment or repeal within 60 days of receipt, the request
1013 shall be deemed approved.

1014 (h) Nothing in this chapter shall affect a city or town's authority to amend its zoning
1015 ordinances or by-laws under chapter 40A, so long as the changes do not affect the smart growth
1016 zoning district or starter home zoning district.

1017 Section 7. (a) On or before October 1 of each year after the year of approval of a district
1018 by the department, the department shall send a smart growth zoning district certificate of
1019 compliance or starter home zoning district certificate of compliance, as applicable, to each city or
1020 town with an approved district. In order to receive such a certificate, the city or town shall verify
1021 within the time specified by the department that:

1022 (1) the city or town has adopted and approved a smart growth zoning district or a
1023 starter home zoning district, as applicable;

1024 (2) the certification has not been revoked by the department;

1025 (3) the district is being developed in a manner that reasonably complies with the
1026 applicable minimum requirements set forth in section 6 for housing density and affordability;

1027 (4) the approving authority has not unreasonably denied plans for projects, or has
1028 only denied plans for projects in a manner consistent with its smart growth zoning district

1029 ordinance or by-law or starter home zoning district ordinance or by-law, as applicable, the city or
1030 town's comprehensive housing plan, housing production plan, or the housing production
1031 summary submitted with the city or town's initial application for approval by the department, as
1032 applicable, and this chapter.

1033 (b) If the department is unable to certify compliance, the department shall hold a
1034 public hearing subject to chapter 30A. If the department concludes that the city or town is in
1035 material noncompliance with the requirements set forth in this section, the department may
1036 revoke certification. A revocation of certification shall be recorded with the registry of deeds or
1037 land court registry district for the county or district within which the city or town is located,
1038 indexed in the grantor index under the name of the city or town. Any revocation of certification
1039 or other sanctions imposed by the department shall not affect the validity of the smart growth
1040 zoning ordinance or by-law or starter home zoning district ordinance or by-law, as applicable, or
1041 the application of such ordinance or by-law to land, development or proposed development
1042 within the smart growth zoning district.

1043 Section 8. A city or town shall submit to the department, concurrently with the city or
1044 town's application for a letter of eligibility, either an existing comprehensive housing plan, an
1045 existing housing production plan, or a housing production summary. The plan or summary shall
1046 include an estimate of the projected number of units of new construction that could be built in
1047 the proposed smart growth zoning district or starter home zoning district. If a city or town has
1048 already completed a comprehensive housing plan or housing production plan, the city or town
1049 shall submit with its application to the department a description of how the proposed smart
1050 growth zoning district or starter home zoning district relates to and will further the goals of its

1051 comprehensive housing plan or housing production plan, as well as an estimate of the projected
1052 number of units of new construction that could be built within the district.

1053 Section 9. Each city or town with an approved smart growth zoning district or starter
1054 home zoning district shall be entitled to payments pursuant to this section.

1055 (a) The commonwealth shall pay from the trust fund a zoning incentive payment,
1056 according to the following schedule:

Projected Units of New Construction	Payment
Up to 20	$10,000
21 to 100	$75,000
101 to 200	$200,000
201 to 500	$350,000
501 or more	$600,000

1064 Subject to any conditions imposed by the department as a condition of approving a smart
1065 growth zoning district or starter home zoning district, the zoning incentive payment shall be
1066 payable upon confirmation of approval of the district by the department. The projected number
1067 of units shall be based upon the zoning adopted in the smart growth zoning district or starter
1068 home zoning district, and consistent with either the city or town's comprehensive housing plan or
1069 housing production plan, if any, or the housing production summary submitted in accordance
1070 with Section 8.

1071 (b) The commonwealth shall pay from the trust fund a one-time density bonus
1072 payment to each city or town with an approved smart growth zoning district and a one-time
1073 production bonus payment to each city or town with an approved starter home zoning district.
1074 This payment shall be $3,000 for each housing unit of new construction created in the smart
1075 growth zoning district and $3,000 for each housing unit of new construction created in the starter
1076 home zoning district. The amount due shall be paid on a unit-by-unit basis in accordance with
1077 department regulations, upon submission by a city or town of proof of issuance of a building
1078 permit for a particular housing unit or units within the district.

1079 (c) The executive office of environmental affairs, the executive office of
1080 transportation, the department of housing and community development and the secretary of
1081 administration and finance shall, when awarding discretionary funds, use a methodology of
1082 awarding such funds that favors cities or towns with approved smart growth zoning districts or
1083 starter home zoning districts and other approved zoning policies or initiatives that encourage
1084 increased affordable housing production in the commonwealth including, but not limited to,
1085 inclusionary zoning.

1086 Section 10. A city or town may adopt, in accordance with the regulations of the
1087 department, design standards applicable to projects undergoing review by the approving
1088 authority, to ensure that the physical character of development within the smart growth zoning
1089 district or starter home zoning district is complementary to adjacent buildings and structures and
1090 is consistent with the city or town's comprehensive housing plan or housing production plan, if
1091 any, and any applicable master plan or plans for the city or town. Such standards may address the
1092 scale and proportions of buildings, the alignment, the width and grade of streets and sidewalks,
1093 the type and location of infrastructure, the location of building and garage entrances, off-street

1094 parking, the protection of significant natural site features, the location and design of on-site open
1095 spaces, exterior signs and buffering in relation to adjacent properties. In a smart growth zoning
1096 district, the standards shall provide for high-density quality development consistent with the
1097 character of building types, streetscapes and other city or town features traditionally found in
1098 densely settled areas of the city or town or in the region of the city or town.

1099 A design standard shall not be adopted if it will add unreasonable costs to residential or
1100 mixed-use developments. A design standard shall not unreasonably impair the economic
1101 feasibility of proposed projects. The department may disapprove a request for the determination
1102 of eligibility for a smart growth zoning district or starter home zoning district on account of a
1103 design standard adding such unreasonable costs or unreasonably impairing such feasibility.

1104 SECTION 45. Section 11 of said chapter 40R, as so appearing, is hereby amended by
1105 striking out, in line 2, the words "district zoning" and inserting in place thereof the following
1106 words:- zoning district or starter home zoning district.

1107 SECTION 46. Section 11 of said chapter 40R, as so appearing, is hereby amended by
1108 inserting after the word "district", in line 11, the following words:- or starter home zoning
1109 district.

1110 SECTION 47. Said section 11 of said chapter 40R, as so appearing, is hereby further
1111 amended by inserting after the word "zoning", in line 17, the following words:- district or starter
1112 home zoning district.

1113 SECTION 48. Said section 11 of said chapter 40R, as so appearing, is hereby further
1114 amended by inserting after the word "district" in lines 70, 74 and 128, in each instance, the
1115 following words:- or starter home zoning district.

1116 SECTION 49. Said chapter 40R, as so appearing, is hereby amended by striking out
1117 section 12 and inserting in place thereof the following section:-

1118 Section 12. The department shall be responsible for the administration, review, and
1119 reporting on the smart growth zoning district and starter home zoning district programs as
1120 provided in this chapter. The department shall undertake or cause to be undertaken an annual
1121 review and the preparation of a report on the programs set forth in this chapter and may require
1122 data to be provided by cities and towns with smart growth zoning districts or starter home zoning
1123 districts. The report shall be prepared on the basis of such data and shall be made available to
1124 the general public and submitted to the general court annually, not later than November 15 of
1125 each year, and shall cover the status of the program through the end of the prior fiscal year. The
1126 report shall identify and describe the status of cities and towns that are actively seeking letters of
1127 eligibility. It shall identify approved smart growth zoning districts and starter home zoning
1128 districts and the amounts and anticipated timing of one-time density bonus payments and one-
1129 time production bonus payments during the prior and current fiscal year. It shall summarize the
1130 amount of land areas zoned for particular types of projects in both proposed and approved
1131 districts, the number of projects being reviewed by cities and towns under section 11, including
1132 the number and type of proposed residential units, the number of building permits issued, the
1133 number of completed housing units and their type, and it shall set out the one-time density bonus
1134 payments and one-time production bonus payments made to each city or town. For the then
1135 current and the immediately succeeding fiscal years it shall make estimates for the: (i) number
1136 and size of proposed new districts; (ii) potential number of residential units to be allowed in new
1137 districts; and (iii) anticipated construction activity.

1138 SECTION 50. Said chapter 40R, as so appearing, is hereby further amended by striking
1139 out section 14 and inserting in place thereof the following section:-

1140 Section 14. If, within 3 years, no construction has been started within the smart growth
1141 zoning district or starter home zoning district, the department shall require the cities and towns to
1142 repay to the department all monies paid to the city or town under this chapter for said smart
1143 growth zoning district or starter home zoning district. Said 3 years shall commence on the date
1144 of the payment of the zoning incentive payment for said smart growth zoning district or starter
1145 home zoning district. All monies repaid to the department under this section shall be returned to
1146 the trust fund.

1147 SECTION 51. Section 1 of chapter 40V of the General Laws, as so appearing, is hereby
1148 amended by striking out the definition of "Certified housing development project", and inserting
1149 in place thereof the following definition:-

1150 "Certified housing development project", the new construction or substantial
1151 rehabilitation of a housing development project that has been approved by the department for
1152 participation in the housing development incentive program.

1153 SECTION 52. Said section 1 of said chapter 40V, as so appearing, is hereby further
1154 amended by striking out the definitions of "Market rate residential unit" and "Qualified
1155 substantial rehabilitation expenditure" and inserting in place thereof following 2 definitions:-

1156 "Market rate residential unit", a residential unit priced consistently with prevailing rents
1157 or sale prices in the municipality as determined based on criteria established by the department.

1158 “Qualified project expenditure”, an expenditure directly related to the construction or
1159 substantial rehabilitation of a certified housing development project, including the cost of site
1160 assessment and remediation of hazardous materials, but excluding the purchase of the property,
1161 provided, that: (i) the department has certified that the proposed project meets the definition of
1162 certified housing development project; (ii) prior to construction, the department has certified that
1163 all or a portion of the project costs are for new construction or substantial rehabilitation; and (iii)
1164 after the construction of the project has been completed, the department has certified that the
1165 project has been completed in compliance with this chapter and the requirements and conditions
1166 of any prior certifications.

1167 SECTION 53. Said section 1 of said chapter 40V, as so appearing, is hereby further
1168 amended by inserting after the words “property,”, in line 34, the following words:- including site
1169 assessment and remediation of hazardous materials, but.

1170 SECTION 54. Section 4 of said chapter 40V, as so appearing, is hereby amended by
1171 striking out, in line 12, the words “is a” and inserting in place thereof the following words:-
1172 involves either new construction or.

1173 SECTION 55. Said section 4 of said chapter 40V, as so appearing, is hereby further
1174 amended by striking out, in line 13, the word “approve” and inserting in place thereof the
1175 following word:- certify.

1176 SECTION 56. Said section 4 of said chapter 40V, as so appearing, is hereby further
1177 amended by striking out, in line 35, the words “HDIP zone” and inserting in place thereof the
1178 following words:- HD zone.

1179 SECTION 57. Said section 4 of said chapter 40V, as so appearing, is hereby further
1180 amended by inserting after the word "certified" in lines 44, 56, 57 and 83, in each instance, the
1181 following words:- housing development.

1182 SECTION 58. Section 5 of said chapter 40V, as so appearing, is hereby amended by
1183 striking out the first sentence and inserting in place thereof the following sentence:-

1184 The department may award, to a sponsor of a certified housing development project, tax
1185 credits available under subsection (q) of section 6 of chapter 62 and section 38BB of chapter 63
1186 up to but not to exceed 25 per cent of the cost of qualified project expenditures allocable to the
1187 market rate units in the project, as determined by the department.

1188 SECTION 59. Said section 5 of said chapter 40V, as so appearing, is hereby further
1189 amended by striking out the word "project" in lines 9, 13 and 15, each time it appears, and
1190 inserting in place thereof, in each instance, the following words:- certified housing development
1191 project.

1192 SECTION 60. Section 3 of chapter 62 of the General Laws, as so appearing, is hereby
1193 amended by striking out, in lines 114 to 115, the words "established by section three B of chapter
1194 twenty-three A" and inserting in place thereof the following words:- pursuant to section 3G of
1195 chapter 23A.

1196 SECTION 61. Paragraph (11) of subsection (a) of part B of section 3 of chapter 62 of the
1197 General Laws, as appearing in the 2014 Official Edition, is hereby amended by inserting at the
1198 end thereof the following sentence:-

1199 An individual who is a nonresident for all or part of the taxable year shall not be eligible
1200 to claim this deduction.

1201 SECTION 62. Subsection (a) of part B of section 3 of chapter 62 of the General Laws, as
1202 appearing in the 2014 Official Edition, is hereby amended by inserting at the end thereof the
1203 following new clause:-

1204 (19) An amount equal to the amount expended in the taxable year for the purchase of an
1205 interest in, or the amount contributed in the taxable year to an account in, a prepaid tuition
1206 program or college savings program established by the commonwealth or any instrumentality or
1207 authority thereof. In the case of a single person or a married person filing a separate return or a
1208 head of household, the total amount deducted in the taxable year shall not exceed $1,000. In the
1209 case of a married couple filing a joint return, the total amount deducted in the taxable year shall
1210 not exceed $2,000.

1211 Notwithstanding any statute of limitations on the assessment of an income tax under this
1212 chapter, any deduction taken under this subparagraph shall be subject to recapture in the taxable
1213 year or years in which distributions or refunds are made for any reason other than (i) to pay
1214 qualified higher education expenses, as defined by 26 U.S.C. section 529(e)(3), or (ii) the
1215 beneficiary's death, disability, or receipt of a scholarship. For the purposes of this subparagraph,
1216 the term “purchaser” or “contributor” means the person shown as such on the records of the
1217 qualifying prepaid tuition or college savings program as of December 31 of the taxable year. In
1218 the case of a transfer of ownership of a prepaid tuition contract or savings trust account, the
1219 transferee shall succeed to the transferor's tax attributes associated with the prepaid tuition

1220 contract or savings trust account, including, but not limited to, carryover and recapture of
1221 deductions.

1222 On or before October 15, annually of each year beginning on or after January 1, 2018, the
1223 commissioner shall submit a report to the secretary of administration and finance, the house and
1224 senate committees on ways and means, and the joint committee on revenue. The report shall
1225 provide the following information: the number of prepaid tuition contracts or savings trust
1226 accounts entered into or opened by residents of the commonwealth during the prior year; the
1227 amount of the allowable deductions claimed under this subparagraph during the prior year; and
1228 the adjusted gross income of each taxpayer qualifying for the deduction allowed under this
1229 subparagraph.

1230 SECTION 63. Section 6 of said chapter 62, as so appearing, is hereby amended by
1231 striking out subsection (g) and inserting in place thereof the following subsection:-

1232 (g)(1) As used in this subsection, the following words shall have the same meaning as
1233 ascribed to them in section 3A of chapter 23A: "Alternative EDIP tax credits", "Certified
1234 project", "Controlling business", "EACC", "EDIP contract", "Extraordinary economic
1235 development opportunity", and "Proposed project".

1236 (2) A credit shall be allowed against the tax liability imposed by this chapter on the
1237 owner or lessee of a certified project, to the extent such credit is authorized by the EACC, up to
1238 an amount equal to 50 per cent of such liability in any taxable year; provided, however, that the
1239 50 per cent limitation shall not apply where the credit is refundable under paragraph (7). The
1240 amount of the credit shall be determined by the EACC in accordance with criteria set forth in
1241 section 3D of chapter 23A and such other criteria or guidelines as the council shall from time to

1242 time adopt; provided, that a credit awarded in connection with a certified project that will retain
1243 permanent full-time employees in a gateway municipality without creating a net increase in
1244 permanent full-time employees shall not exceed $5,000 per retained employee. A credit allowed
1245 under this section shall be taken only after the taxpayer executes an EDIP contract as set forth in
1246 said section 3D of said chapter 23A.

1247 (3) An alternative EDIP tax credit may be allowed against the tax liability imposed
1248 by this chapter on the owner or lessee of a certified project that has been designated as an
1249 extraordinary economic development opportunity, but only to the extent such alternative EDIP
1250 tax credit is authorized by the EACC, up to an amount equal to 100 per cent of such liability in
1251 any taxable year; provided, however, that the 100 per cent limitation shall not apply where the
1252 credit is refundable under paragraph (7). The amount of the alternative EDIP tax credit shall be
1253 equal to a percentage of gross wages of the new permanent full-time employees employed by the
1254 controlling business at the certified project as reportable on employee Forms W-2 wage and tax
1255 statements. Such percentage shall be determined by the EACC but shall in no event exceed 5 per
1256 cent of such gross wages. An alternative EDIP tax credit allowed under this section shall reduce
1257 the liability of the taxpayer under this chapter for the taxable year in which the new permanent
1258 full-time employee is first employed by the taxpayer and any subsequent years authorized by the
1259 EACC. An alternative EDIP tax credit allowed under this section may be taken only after the
1260 taxpayer executes an EDIP contract as set forth in section 3D of chapter 23A.

1261 (4) The total amount of credits that may be authorized by the EACC in a calendar
1262 year pursuant to this section and section 38N of chapter 63 shall not exceed $30,000,000
1263 annually; provided, that this total amount shall not include credits granted pursuant to subsection
1264 (q) of section of 6 of this chapter and section 38BB of said chapter 63; and provided further, that

1265 this total amount shall include: (i) refundable credits granted during the year pursuant to this
1266 section or said section 38N of said chapter 63; (ii) nonrefundable credits granted during the year
1267 pursuant to this section or said section 38N of said chapter 63, to the extent that such
1268 nonrefundable credits are estimated by the commissioner to offset tax liabilities during the year;
1269 and (iii) carryforwards of credits from prior years under this section or said section 38N of said
1270 chapter 63, to the extent that such credit carryforwards, if any, are estimated by the
1271 commissioner to offset tax liabilities during the year. Any portion of the annual cap not awarded
1272 by the EACC in a calendar year shall not be applied to awards in a subsequent year.

1273 Notwithstanding the cap set forth in the preceding paragraph, the EACC may authorize
1274 credits in excess of the annual cap of $30,000,000 for a project that is designated as an
1275 extraordinary economic development opportunity; provided that the total amount awarded shall
1276 not exceed $50,000,000 in a calendar year.

1277 The EACC shall provide the commissioner with any documentation that the
1278 commissioner deems necessary to confirm compliance with the annual cap and the commissioner
1279 shall provide a report confirming such compliance to the secretary of administration and finance
1280 and the secretary of housing and economic development.

1281 (5) Any taxpayer entitled to a credit under this subsection for any taxable year may,
1282 to the extent authorized by the EACC, carry over and apply to the tax liability imposed by this
1283 chapter for any 1 or more of the next succeeding 10 taxable years, the portion, as reduced from
1284 year to year, of those credits which exceed the tax liability imposed by this chapter for the
1285 taxable year; provided, however, that in no event shall the taxpayer apply the credit to the tax
1286 liability imposed by this chapter for any taxable year beginning more than 5 years after the

1287 certified project ceases to qualify as such under chapter 23A. Notwithstanding the foregoing, the
1288 EACC may limit or restrict carryover of credits as set forth section 3D of said chapter 23A.

1289 (6) For purposes of this subsection, the commissioner may aggregate the activities of
1290 all entities, whether or not incorporated, under common control as defined in 26 U.S.C. section
1291 41(f).

1292 (7) The commissioner shall promulgate rules and regulations necessary to implement
1293 this subsection including, but not limited to, provisions to prevent the generation of multiple
1294 credits with respect to the same property.

1295 (8) If a credit allowed under paragraph (2) or paragraph (3) is designated by the
1296 EACC as a refundable credit, the credit shall first be applied against the tax liability of the
1297 taxpayer imposed by this chapter, and 100 per cent of the balance of such credit may, at the
1298 option of the taxpayer and to the extent authorized by the EACC, be refundable to the taxpayer.
1299 The EACC shall in each case specify the timing of such refund, which may be for the taxable
1300 year in which all or a portion of the certified project is placed in service, or the taxable year
1301 subsequent to the year in which the required jobs are created. If such credit balance is refunded
1302 to the taxpayer, the credit carryover provisions of paragraph (5) shall not apply.

1303 (9) If the EACC revokes the certification of a project as provided in section 3F of
1304 chapter 23A, then a portion of the tax credits otherwise allowed by this section and claimed by
1305 the taxpayer prior to the date on which EACC makes the determination to revoke project
1306 certification must be added back as additional tax due and shall be reported as such on the return
1307 of the taxpayer for the taxable period in which the EACC makes the determination to revoke
1308 project certification. The amount of credits subject to recapture shall be proportionate to the

1309 taxpayer's compliance with the job creation requirements applicable to the certified project. The
1310 taxpayer's proportion of compliance shall be determined by the EACC as part of its revocation
1311 process and shall be reported to the taxpayer and the department of revenue at the time
1312 certification is revoked.

1313 (10) If a certified project is sold or otherwise disposed of, tax credits allowed under
1314 this subsection may be transferred to the purchaser of the certified project; provided, that the
1315 EDIP contract is assigned to and assumed by the purchaser of the certified project, and such
1316 assignment and assumption is approved in writing by the EACC.

1317 (11) Nothing in this subsection shall limit the authority of the commissioner to make
1318 adjustments to a taxpayer's liability upon audit.

1319 SECTION 64. Said section 6 of said chapter 62, as so appearing, is hereby further
1320 amended by striking out the word "ten" in line 893, and inserting in place thereof the following
1321 figure:- 25.

1322 SECTION 65. Said section 6 of said chapter 62, as so appearing, is hereby further
1323 amended by striking out, in line 894, the words "substantial rehabilitation" and inserting in place
1324 thereof the following word:- project.

1325 SECTION 66. Said section 6 of said chapter 62, as so appearing, is hereby further
1326 amended by striking out, in lines 905 and 939 to 940, the word "rehabilitation" and inserting in
1327 place thereof, in each instance, the following word:- project.

1328 SECTION 67. Said section 6 of said chapter 62, as so appearing, is hereby further
1329 amended by striking out, in lines 923 and 935, the figure "5" and inserting in place thereof, in
1330 each instance, the figure:- 10.

1331 SECTION 68. Said section 6 of said chapter 62, as so appearing, is hereby further
1332 amended by adding the following subsection:-

1333 (t)(1) As used in this subsection, the following words shall have the following
1334 meanings unless the context clearly requires otherwise:-

1335 "Business", a profession, sole proprietorship, trade partnership, corporation, general
1336 partnership, limited liability company, limited partnership, joint venture, business trust, public
1337 benefit corporation, non-profit entity or other business entity.

1338 "Gateway municipality", a gateway municipality as defined in section 3A of chapter
1339 23A.

1340 "Qualifying business", a business which: (i) has its principal place of business in the
1341 commonwealth; (ii) has at least 50 per cent of its employees located in the business's principal
1342 place of business; (iii) has a fully developed business plan that includes all appropriate long-term
1343 and short-term forecasts and contingencies of business operations, including research and
1344 development, profit, loss and cash flow projections and details of angel investor funding; (iv)
1345 employs 20 or fewer full-time employees at the time of the taxpayer investor's initial qualifying
1346 investment as provided for in paragraph (2); (v) has a federal tax identification number; and (vi)
1347 has gross revenues equal to or less than $500,000 in the fiscal year prior to eligibility.

1348 “Qualifying investment”, a monetary investment that is at risk and is not secured or
1349 guaranteed; provided, however, that a qualifying investment shall not include venture capital
1350 funds, hedge funds or commodity funds with institutional investors or investments in a business
1351 involved in retail, real estate, professional services, gaming or financial services.

1352 “Taxpayer investor”, an accredited investor, as defined by the United States
1353 Securities and Exchange Commission pursuant to 15 U.S.C. section 77b(15)(ii) who is not the
1354 principal owner of the qualifying business and who is involved in the qualifying business as a
1355 full-time professional activity.

1356 (2) A taxpayer investor who makes a qualifying investment in a qualifying business
1357 shall be allowed a credit against the taxes imposed by this chapter in an amount equal to 20 per
1358 cent of the amount of the taxpayer’s qualifying investment. A taxpayer investor who makes a
1359 qualifying investment in a qualifying business with its principal place of business located in a
1360 gateway municipality shall be allowed a credit against the taxes imposed by this chapter in an
1361 amount equal to 30 per cent of the amount of the taxpayer’s qualifying investment. Taxpayer
1362 investors may invest up to $125,000 per qualifying business per year with a $250,000 maximum
1363 for each qualifying business. The total of all tax credits available to a taxpayer investor under
1364 this subsection shall not exceed $50,000 in any single calendar year.

1365 (3) Qualifying investments may be used by a qualifying business for the following
1366 purposes: (i) capital improvements; (ii) plant equipment; (iii) research and development; and (iv)
1367 working capital. Qualifying investments shall not be used to pay dividends, fund or repay
1368 shareholders’ loans, redeem shares, repay debt or pay wages or other benefits of the taxpayer
1369 investor.

1370 (4) The credits allowed under paragraph (2) may be taken against income tax due in
1371 either the tax year of the initial investment or in any of the 3 subsequent taxable years. Any
1372 amount of the tax credit that exceeds the tax due for a taxable year may be carried forward by the
1373 taxpayer investor to any of the 3 subsequent taxable years. If the qualifying business ceases to
1374 have its principal place of business in the commonwealth within such 3 year period, the taxpayer
1375 investor shall not claim any further credits and shall repay the total amount of credits claimed to
1376 the commonwealth.

1377 (5) The Massachusetts Life Sciences Center, in consultation with the executive office
1378 of housing and economic development and the commissioner, shall authorize, administer and
1379 determine eligibility for this tax credit and allocate the credit in accordance with the standards
1380 and requirements as set forth in regulations promulgated pursuant to this subsection, and with the
1381 goal of creating and maintaining jobs including, but not limited to, jobs in the following sectors:
1382 digital e-health, information technology, and healthcare. Any tax credits authorized pursuant to
1383 this subsection shall be subject to the annual cumulative cap pursuant to subsection (d) of section
1384 5 of chapter 23I.

1385 (6) The commissioner, the Massachusetts Life Sciences Center, and the executive
1386 office of housing and economic development shall promulgate regulations necessary to carry out
1387 this subsection.

1388 SECTION 69. Section 6M of said chapter 62, as so appearing, is hereby amended by
1389 striking out, in line 89, the words "as defined in section 3A" and inserting in place thereof the
1390 following words:- designated under section 3G.

1391 SECTION 70. Chapter 63 of the General Laws, as so appearing, is hereby amended by
1392 striking out section 38N and inserting in place thereof the following section:

1393 Section 38N. (a) (l) As used in this section, the following terms shall have the same
1394 meanings as ascribed to them in section 3A of chapter 23A: "Alternative EDIP tax credits",
1395 "Certified project", "Certified project proposal", "Economic assistance coordinating council",
1396 "EDIP contract", "Extraordinary economic development opportunity", and "Gateway
1397 municipality"..

1398 (b) A corporation subject to tax under this chapter that is the controlling business of a
1399 certified project, as defined in section 3A of chapter 23A, or an affiliate of a controlling business,
1400 may take a credit against the excise imposed by this chapter to the extent such credit is
1401 authorized by the economic assistance coordinating council, up to an amount equal to 50 per cent
1402 of such liability in any taxable year; provided, however, that the 50 per cent limitation shall not
1403 apply where the credit is refundable under subsection (e). The amount of the credit shall be
1404 determined by the economic assistance coordinating council based on the criteria set forth in
1405 section 3D of said chapter 23A and such other criteria or guidelines as the council shall from
1406 time to time adopt; provided, that a credit awarded in connection with a certified project that will
1407 retain permanent full-time employees in a gateway municipality without creating a net increase
1408 in permanent full-time employees shall not exceed $5,000 per retained employee. A credit
1409 allowed under this section shall be taken only after the corporation executes an EDIP contract as
1410 set forth in said section 3D of said chapter 23A.

1411 (c) An alternative EDIP tax credit may be allowed against the tax liability imposed
1412 by this chapter on the owner or lessee of a certified project that has been designated as an

1413 extraordinary economic development opportunity, but only to the extent such alternative EDIP
1414 tax credit is authorized by the economic assistance coordinating council, up to an amount equal
1415 to 100 per cent of such liability in any taxable year; provided, however, that the 100 per cent
1416 limitation shall not apply where the credit is refundable under subsection (e). The amount of the
1417 alternative EDIP tax credit shall be equal to a percentage of gross wages of the new permanent
1418 full-time employees employed by the controlling business at the certified project as reportable on
1419 employee Forms W-2 wage and tax statements. Such percentage shall be determined by the
1420 EACC but shall in no event exceed 5 per cent of such gross wages. An alternative EDIP tax
1421 credit allowed under this section shall reduce the liability of the taxpayer under this chapter for
1422 the taxable year in which the new permanent full-time employee is first employed by the
1423 taxpayer and any subsequent years authorized by the EACC. An alternative EDIP tax credit
1424 allowed under this section may be taken only after the taxpayer executes an EDIP contract as set
1425 forth in section 3D of chapter 23A.

1426 (d) The total amount of credits that may be authorized by the economic assistance
1427 coordinating council in a calendar year pursuant to this section and subsection (g) of section 6 of
1428 chapter 62 shall not exceed $30,000,000 annually; provided, that this total amount shall not
1429 include credits granted pursuant to section 38BB and subsection (q) of section 6 of chapter 62;
1430 and provided further, that this total amount shall include: (i) refundable credits granted during
1431 the year pursuant to this section or said subsection (g) or said section (6) of said chapter 62; (ii)
1432 nonrefundable credits granted during the year pursuant to this section or said subsection (g) or
1433 said section (6) of said chapter 62, to the extent that such nonrefundable credits are estimated by
1434 the commissioner of revenue to offset tax liabilities during the year; and (iii) carryforwards of
1435 credits from prior years under this section or said subsection (g) of said section 6 of said chapter

1436 62, to the extent that such credit carryforwards, if any, are estimated by the commissioner of
1437 revenue to offset tax liabilities during the year. Any portion of the annual cap not awarded by
1438 the economic assistance coordinating council in a calendar year shall not be applied to awards in
1439 a subsequent year.

1440 Notwithstanding the cap set forth in the preceding paragraph, the EACC may authorize
1441 credits in excess of the annual cap of $30,000,000 for a project that is designated as an
1442 extraordinary economic development opportunity; provided that the total amount awarded shall
1443 not exceed $50,000,000 in a calendar year.

1444 The economic assistance coordinating council shall provide the commissioner of revenue
1445 with any documentation that the commissioner deems necessary to confirm compliance with the
1446 annual cap and the commissioner shall provide a report confirming such compliance to the
1447 secretary of administration and finance and the secretary of housing and economic development.

1448 The credit allowed under this section may be taken by an eligible corporation; provided,
1449 however, that the credit allowed by section 31A or section 31H shall not be taken by such
1450 corporation.

1451 (e) Any corporation entitled to a credit under this section for any taxable year may, to
1452 the extent authorized by the economic assistance coordinating council, carry over and apply to
1453 the tax liability imposed by this chapter for any 1 or more of the next succeeding 10 taxable
1454 years, the portion, as reduced from year to year, of those credits which exceed the tax liability
1455 imposed by this chapter for the taxable year; provided, however, that in no event shall the
1456 corporation apply the credit to the tax liability imposed by this chapter for any taxable year
1457 beginning more than 5 years after the certified project ceases to qualify as such under chapter

1458 23A. Notwithstanding the foregoing, the economic assistance coordinating council may limit or
1459 restrict carryover of credits as set forth section 3D of said chapter 23A.

1460 (f) If a credit allowed under subsection (b) or subsection (c) is designated by the
1461 economic assistance coordinating council as a refundable credit, the credit shall first be applied
1462 against the tax liability of the corporation under this chapter, and 100 per cent of the balance of
1463 such credit may, at the option of the corporation and to the extent authorized by the economic
1464 assistance coordinating council, be refundable to the corporation. The economic assistance
1465 coordinating council shall in each case specify the timing of such refund, which may be for the
1466 taxable year in which all or a portion of the certified project is placed in service, or the taxable
1467 year subsequent to the year in which the required jobs are created. If such credit balance is
1468 refunded to the corporation, the credit carryover provisions of subsection (e) shall not apply.

1469 (g) In the case of a corporation that is subject to a minimum excise under any
1470 provision of this chapter, the amount of the credit allowed by this section shall not reduce the
1471 excise to an amount less than the minimum excise.

1472 (h) In the case of corporations filing a combined return of income under section 32B,
1473 a credit generated by an individual member corporation under the provisions of this section shall
1474 first be applied against the separately determined excise attributable to that member, except as
1475 otherwise provided in this section. A member corporation with an excess credit may apply its
1476 excess credit against the excise of another group member, to the extent that such other member
1477 corporation can use additional credits. Unused, unexpired credits generated by member
1478 corporations shall be carried over from year to year by the individual corporation that generated
1479 the credit, to the extent authorized by the economic assistance coordinating council.

1480 (i) The commissioner of revenue may promulgate such rules and regulations as are
1481 necessary to implement this section, including, but not limited to, provisions to prevent the
1482 generation of multiple credits with respect to the same property.

1483 (j) If the economic assistance coordinating council revokes the certification of a
1484 project as provided in section 3F of chapter 23A, then a portion of the tax credits otherwise
1485 allowed by this section and claimed by the corporation prior to the date on which the economic
1486 assistance coordinating council makes the determination to revoke project certification must be
1487 added back as additional tax due and shall be reported as such on the return of the corporation for
1488 the taxable period in which the economic assistance coordinating council makes the
1489 determination to revoke project certification. The amount of credits subject to recapture shall be
1490 proportionate to the corporation's compliance with the job creation requirements applicable to
1491 the certified project. The corporation's proportion of compliance shall be determined by the
1492 economic assistance coordinating council as part of its revocation process and shall be reported
1493 to the corporation and the department of revenue at the time certification is revoked.

1494 (k) If a certified project is sold or otherwise disposed of, tax credits allowed under
1495 this section may be transferred to the purchaser of the certified project; provided, that the EDIP
1496 contract is assigned to and assumed by the purchaser of the certified project, and such
1497 assignment and assumption is approved in writing by the economic assistance coordinating
1498 council.

1499 (l) Nothing in this section shall limit the authority of the commissioner of revenue to
1500 make adjustments to a corporation's liability upon audit.

1501 SECTION 71. Section 38O of said chapter 63, as so appearing, is hereby amended by
1502 striking out, in lines 4 to 5, the words “as defined by section 3A” and inserting in place thereof
1503 the following words:- designated under section 3G.

1504 SECTION 72. Subsection (b) of section 38R of said chapter 63, as so appearing, is
1505 hereby amended by inserting after the word “criteria”, in line 45, the following words:- ;
1506 provided, however, that the Massachusetts historical commission shall ensure the award of tax
1507 credits pursuant to this section to allow a taxpayer that acquires a qualified historic structure to
1508 receive any tax credits for qualified rehabilitation expenditures previously awarded to the
1509 transferor of the qualified historic structure if: (A) the rehabilitation was not placed in service by
1510 the transferor; (B) no credit has been claimed by anyone other than the acquiring taxpayer as
1511 verified by the department of revenue to the commission; (C) the taxpayer completes the
1512 rehabilitation and obtains certification as provided in this section; and (D) the taxpayer conforms
1513 with all other requirements of this section; and provided further, that in the case of a multi-phase
1514 project, tax credits may be transferred for any phase that meets the criteria in subclauses (A) to
1515 (D), inclusive.

1516 SECTION 73. Section 38BB of said chapter 63, as so appearing, is hereby amended by
1517 striking out, in line 5, the figure “10” and inserting in place thereof the following figure:- 25.

1518 SECTION 74. Said section 38BB of said chapter 63, as so appearing, is hereby amended
1519 further by striking out, in line 6, the words “substantial rehabilitation” and inserting in place
1520 thereof the following word:- project.

1521 SECTION 75. Said section 38BB of said chapter 63, as so appearing, is hereby amended
1522 further by striking out, in line 17 and in lines 38 to 39, the word "rehabilitation" and inserting in
1523 place thereof, in each instance, the following word:- project.

1524 SECTION 76. Said section 38BB of said chapter 63, as so appearing, is hereby further
1525 amended by striking out, in lines 23 and 34, the figure "5" and inserting in place thereof, in each
1526 instance, the figure:- 10.

1527 SECTION 77. Section 38EE of said chapter 63, as so appearing, is hereby amended by
1528 striking out, in line 76, the words "as defined in section 3A" and inserting in place thereof the
1529 following words:- designated under section 3G.

1530 SECTION 78. The General Laws are hereby amended by inserting after chapter 110H the
1531 following chapter:-

1532 CHAPTER 110I

1533 FANTASY CONTESTS

1534 Section 1. For the purposes of this chapter, the following words shall have the following
1535 meanings:

1536 "Fantasy contest", includes any fantasy or simulated game or contest, in which: (i) the
1537 value of all prizes and awards offered to winning participants are established and made known to
1538 the participants in advance of the contest; (ii) all winning outcomes reflect the relative
1539 knowledge and skill of the participants and shall be determined predominantly by accumulated
1540 statistical results of the performance of individuals, including athletes in the case of sports
1541 events; and (iii) no winning outcome is based on the score, point spread, or any performance or

1542 performances of any single actual team or combination of such teams or solely on any single
1543 performance of an individual athlete or player in any single actual event.

1544 "Fantasy contest operator", a person or entity that offers fantasy contests for a cash prize
1545 to members of the public.

1546 Section 2. A fantasy contest operator may offer a fantasy contest to residents of the
1547 commonwealth pursuant to and in accordance with regulations promulgated by the attorney
1548 general.

1549 Section 3. The provisions of sections 24, 24A and 27 of chapter 10 or chapter 271 shall
1550 not apply to a fantasy contest operator conducting a fantasy contest.

1551 SECTION 79. Section 12 of chapter 138 of the General Laws, as appearing in the 2014
1552 Official Edition, is hereby amended by striking the second paragraph.

1553 SECTION 80. Said section 15 of said chapter 138, as so appearing, is hereby further
1554 amended by striking out, in line 97, the words "or connected therewith" and inserting in place
1555 thereof the following words:- ; except that a common victualler duly licensed to operate a
1556 restaurant under chapter 140 and holding a license under section 12 of this chapter can be
1557 connected to a premises licensed under this section, provided that at least 50 percent of the
1558 revenue generated at the premise licensed under this section is derived from the sale of grocery
1559 items as defined in section 184B of chapter 94; and provided further that the connection between,
1560 and design of, the two locations so licensed, including interior connections, which shall be
1561 allowed, clearly delineates the two premises in such a way as to make the boundaries of each
1562 licensed premises clearly separate and identifiable to customers, liquor distributors and
1563 regulatory authorities, and enables the respective licensees to maintain control of the licensed

1564 area, egress, and the sale, storage and service of alcoholic beverages, and otherwise in
1565 conformity with all sections of this chapter.

1566 SECTION 81. Said section 15 of said chapter 138, as so appearing, is hereby further
1567 amended by striking out, in line 149, the words “or connected therewith” and inserting in place
1568 thereof the following words:- ; except that a common victualler duly licensed to operate a
1569 restaurant under chapter 140 and holding a license under section 12 of this chapter can be
1570 connected to a premises licensed under this section, provided that at least 50 percent of the
1571 revenue generated at the premise licensed under this section is derived from the sale of grocery
1572 items as defined in section 184B of chapter 94; and provided further that the connection between,
1573 and design of, the two locations so licensed, including interior connections, which shall be
1574 allowed, clearly delineates the two premises in such a way as to make the boundaries of each
1575 licensed premises clearly separate and identifiable to customers, liquor distributors and
1576 regulatory authorities, and enables the respective licensees to maintain control of the licensed
1577 area, egress, and the sale, storage and service of alcoholic beverages, and otherwise in
1578 conformity with all sections of this chapter.

1579 SECTION 82. Section 17 of said chapter 138, as so appearing, is hereby amended by
1580 striking, in lines 291 through 293, the following:- Unless expressly authorized by this chapter,
1581 local licensing authorities shall not grant licenses to any person, firm or corporation under more
1582 than one section of this chapter.

1583 SECTION 83. Said section 17 of said chapter 138, as so appearing, is hereby further
1584 amended by striking, in lines 316 and 319, each time it appears, the figure “12”.

1585 SECTION 84. Subsection (g) of section 19B of said chapter 138, as so appearing, is
1586 hereby amended by striking out in paragraph (5) the words “section twelve of this chapter” and
1587 inserting in place thereof the following words:- this section.

1588 SECTION 85. Said section 19B of said chapter 138, as so appearing, is hereby further
1589 amended by striking subsection (n) and inserting in place thereof the following subsection:-

1590 (n) Notwithstanding section 17, a local licensing authority, subject to the approval of the
1591 commission, may grant a license to sell wine for consumption on the premises at any location it
1592 deems reasonable and proper, and approves in writing, on the grounds of a farmer–winery
1593 licensed under this section and on the grounds of the vineyards operated as appurtenant and
1594 contiguous to, and in conjunction with, such farmer-winery; provided, however, that such
1595 licensees may sell for on-premises consumption only wines produced by the winery or produced
1596 for the winery and sold under the winery brand name. All the procedures under section 15A of
1597 this chapter shall apply to the granting of a license under this paragraph.

1598 SECTION 86. Section 19C of said chapter 138, as so appearing, is hereby amended by
1599 striking subsection (n) and inserting the following paragraph:-

1600 (n) Notwithstanding section 17, a local licensing authority, subject to the approval of the
1601 commission, may grant a license to sell malt beverages for consumption on the premises at any
1602 location it deems reasonable and proper, and approves in writing, on the grounds of a farmer–
1603 brewery licensed under this section and on the grounds of the farm operated as appurtenant and
1604 contiguous to, and in conjunction with, such farmer-brewery; provided, however, that such
1605 licensees may sell for on-premises consumption only malt beverages produced by the brewery or

1606 produced for the brewery and sold under the brewery brand name. All the procedures under
1607 section 15A of this chapter shall apply to the granting of a license under this paragraph.

1608 SECTION 87. Section 19E of said chapter 138, as so appearing, is hereby amended by
1609 striking subsection (o) and inserting the following paragraph:-

1610 (o) Notwithstanding section 17, a local licensing authority, subject to the approval of the
1611 commission, may grant a license to sell distilled spirits for consumption on the premises at any
1612 location it deems reasonable and proper, and approves in writing, on the grounds of a farmer–
1613 distillery licensed under this section and on the grounds of the farm operated as appurtenant and
1614 contiguous to, and in conjunction with, such farmer-distillery; provided, however, that such
1615 licensees may sell for on-premises consumption only distilled spirits produced by the distillery or
1616 produced for the distillery and sold under the distillery brand name. All the procedures under
1617 section 15A of this chapter shall apply to the granting of a license under this paragraph.

1618 SECTION 88. Said chapter 138, as so appearing, is hereby amended by inserting after
1619 section 19F the following new section:-

1620 Section 19H. Notwithstanding section 17, any person that holds any combination of a
1621 farmer-winery under section 19B, a farmer-brewery under section 19C, and a farmer-distillery
1622 under section 19E, may be granted a license under this section to sell for on-premises
1623 consumption any alcoholic beverages produced by its section 19B, section 19C, and section 19E
1624 licenses, or produced for the section 19B, section 19C, and section 19E licensee and sold under
1625 the licensee's brand name, on any of its premises licensed under section 19B, section 19C, and
1626 section 19E, provided, however, that these premises are operated appurtenant and contiguous to
1627 each other.

1628 SECTION 89. Section 33 of chapter 138 of the General Laws, as so appearing, is hereby
1629 amended by striking out, in lines 14 and 15, 17 and 18, 24 and 25, and 27 and 28, the words "or
1630 on the day following when Christmas occurs on a Sunday".

1631 SECTION 90. Section 141 of chapter 175 of the General Laws, as appearing in the 2014
1632 Official Edition, is hereby amended by striking out the word "twelve", in line 4 and inserting in
1633 place thereof, the following figure:-20.

1634 SECTION 91. Section 162M of chapter 175 of the General Laws, as so appearing, is
1635 hereby amended by inserting after subsection (7) the following subsection:-

1636 (7 1/2) Travel, limited line travel insurance, as that term is defined in section 162Z.

1637 SECTION 92. Said chapter 175 is hereby further amended by inserting after section
1638 162Y the following section:-

1639 Section 162Z. (a) As used in this section, the following words shall, unless the context
1640 clearly requires otherwise, have the following meanings:-

1641 "Designated responsible producer" or "DRP", a person responsible for the limited lines
1642 travel insurance producer's compliance with the travel insurance laws, rules and regulations of
1643 the state.

1644 "Limited lines travel insurance producer", a: (i) managing general underwriter; (ii)
1645 managing general agent or third party administrator; or (iii) licensed insurance producer,
1646 including a limited lines producer, designated by an insurer as the travel insurance supervising
1647 entity as set forth in subsection (g).

1648 “Offer and disseminate”, to provide general information, including a description of the
1649 coverage and price, as well as processing the application, collecting premiums, and performing
1650 other non-licensable activities permitted by the state.

1651 “Travel insurance”, insurance coverage for personal risks incident to planned travel,
1652 including but not limited to: (i) interruption or cancellation of trip or event; (ii) loss of baggage
1653 or personal effects; (iii) damages to accommodations or rental vehicles; or (iv) sickness,
1654 accident, disability or death occurring during travel. Travel insurance does not include major
1655 medical plans, which provide comprehensive medical protection for travelers with trips lasting 6
1656 months or longer, including for example, those working overseas as an expatriate or military
1657 personnel being deployed.

1658 “Travel retailer”, a business entity that makes, arranges or offers travel services and may
1659 offer and disseminate travel insurance as a service to its customers on behalf of and under the
1660 direction of a limited lines travel insurance producer.

1661 (b)

1662 (1) The commissioner may issue to an individual or business entity that has filed with the
1663 commissioner an application for such limited license in a form and manner prescribed by the
1664 commissioner, a limited lines travel insurance producer license, which authorizes the limited
1665 lines travel insurance producer to sell, solicit or negotiate travel insurance through a licensed
1666 insurer.

1667 (2) A travel retailer may offer and disseminate travel insurance under a limited lines
1668 travel insurance producer business entity license if the following conditions are met:

1669 (i) The limited lines travel insurance producer or travel retailer provides to purchasers of
1670 travel insurance:

1671 (A) a description of the material terms or the actual material terms of the insurance
1672 coverage;

1673 (B) a description of the process for filing a claim;

1674 (C) a description of the review or cancellation process for the travel insurance policy; and

1675 (D) the identity and contact information of the insurer and limited lines travel insurance
1676 producer.

1677 (ii) At the time of licensure, the limited lines travel insurance producer shall establish and
1678 maintain a register on a form prescribed by the commissioner of each travel retailer that offers
1679 travel insurance on the limited lines travel insurance producer's behalf. The register shall be
1680 maintained and updated annually by the limited lines travel insurance producer and shall include
1681 the name, address and contact information of the travel retailer and an officer or person who
1682 directs or controls the travel retailer's operations, and the travel retailer's federal tax
1683 identification number. The limited lines travel insurance producer shall submit such register to
1684 the division of insurance upon reasonable request. The limited lines travel insurance producer
1685 shall also certify that the travel retailer registered complies with 18 U.S.C. section 1033.

1686 (iii) The limited lines travel insurance producer has designated 1 of its employees who is
1687 a licensed individual producer as the DRP.

1688 (iv) The DRP, president, secretary, treasurer and any other officer or person who directs
1689 or controls the limited lines travel insurance producer's insurance operations shall comply with

1690 the fingerprinting requirements applicable to insurance producers in the resident state of the
1691 limited lines travel insurance producer.

1692 (v) The limited lines travel insurance producer has paid all applicable insurance producer
1693 licensing fees as set forth in applicable state law.

1694 (vi) The limited lines travel insurance producer requires each employee and authorized
1695 representative of the travel retailer, whose duties include offering and disseminating travel
1696 insurance, to receive a program of instruction or training, which may be subject to review by the
1697 commissioner. The training material shall, at a minimum, contain instructions on the types of
1698 insurance offered, ethical sales practices and required disclosures to prospective customers.

1699 (vii) Limited lines travel insurance producers, and those registered under its license, are
1700 exempt from the examination requirements under section 162K and the continuing education
1701 requirements under section 177E.

1702 (viii) The limited lines travel insurance producer or travel retailer provides its written
1703 consumer materials to department upon reasonable request.

1704 (c) Any travel retailer offering or disseminating travel insurance shall make available to
1705 prospective purchasers, brochures or other written materials that:

1706 (1) provide the identity and contact information of the insurer and the limited lines travel
1707 insurance producer;

1708 (2) explain that the purchase of travel insurance is not required in order to purchase any
1709 other product or service from the travel retailer; and

1710 (3) explain that an unlicensed travel retailer is permitted to provide general information
1711 about the insurance offered by the travel retailer, including a description of the coverage and
1712 price, but is not qualified or authorized to answer technical questions about the terms and
1713 conditions of the insurance offered by the travel retailer or to evaluate the adequacy of the
1714 customer's existing insurance coverage.

1715 (d) A travel retailer's employee or authorized representative who is not licensed as an
1716 insurance producer may not:

1717 (1) evaluate or interpret the technical terms, benefits, and conditions of the offered travel
1718 insurance coverage;

1719 (2) evaluate or provide advice concerning a prospective purchaser's existing insurance
1720 coverage; or

1721 (3) hold himself out as a licensed insurer, licensed producer, or insurance expert.

1722 (e)a travel retailer whose insurance-related activities, and those of its employees and
1723 authorized representatives, are limited to offering and disseminating travel insurance on behalf of
1724 and under the direction of a limited lines travel insurance producer, meeting the conditions stated
1725 in this section, is authorized to do so and receive related compensation, not in the form of
1726 commissions, upon registration by the limited lines travel insurance producer as described in
1727 subsection (b).

1728 (f) Travel insurance may be provided under an individual policy or under a group or
1729 master policy.

1730 (g) As the insurer designee, the limited lines travel insurance producer is responsible for
1731 the acts of the travel retailer and shall use reasonable means to ensure compliance by the travel
1732 retailer with this section.

1733 (h) The limited lines travel insurance producer and any travel retailer offering and
1734 disseminating travel insurance under the limited lines travel insurance producer license shall be
1735 subject to the: (i) laws regarding unfair methods of competition and unfair and deceptive acts and
1736 practices in the business of insurance; and (ii) the enforcement provisions applicable to insurance
1737 producers.

1738 SECTION 93. Section 1 of chapter 176J of the General Laws, as so appearing, is hereby
1739 amended by inserting after the words "separate insurance policy" the following words:- travel
1740 insurance.=

1741 SECTION 94. Said section 1 of said chapter 176J, as so appearing, is hereby further
1742 amended by after the words "said chapter 15A" the following words: - Travel insurance for the
1743 purpose of this chapter is insurance coverage for personal risks incident to planned travel,
1744 including but not limited to: (i) interruption or cancellation of trip or event; (ii) loss of baggage
1745 or personal effects; (iii) damages to accommodations or rental vehicles; or (iv) sickness,
1746 accident, disability or death occurring during travel, provided that the health benefits are not
1747 offered on a stand-alone basis and are incidental to other coverages. The term, "travel
1748 insurance" shall not include major medical plans, which provide comprehensive medical
1749 protection for travelers with trips lasting six (6) months or longer, including for example, those
1750 working overseas as an ex-patriot or military personnel being deployed.

1751

1752 SECTION 95. Section 7 of chapter 293 of the acts of 2006, as amended by section 6 of
1753 chapter 129 of the acts of 2008, is hereby further amended by striking out clauses (ii), (iii) and
1754 (iv) of subsection (c) and inserting in place thereof the following 2 clauses:-

1755 (ii) the secretary certifies that the developer has received commitments satisfactory to the
1756 department for financing sufficient, with equity or other amounts to be provided by the developer
1757 and other persons, to fund the costs of construction of the proposed economic development
1758 project exclusive of those public infrastructure improvements to be financed by the agency, and
1759 shall have obtained a blanket performance bond or other security satisfactory to the secretary and
1760 payable to the agency securing the developer's obligation to complete the construction of the
1761 public infrastructure improvements included in the economic development proposal in an
1762 amount equal to or greater than the outstanding principal amount of any bonds to be issued by
1763 the agency to finance costs of public infrastructure improvements; and (iii) the agency certifies
1764 that it has approved the proposal.

1765 SECTION 96. Said section 7 of said chapter 293, as most recently amended by section
1766 87 of chapter 287 of the acts of 2014, is hereby further amended by striking out in subsection (d)
1767 the words, “31 per cent” and inserting in place thereof the following words:- 50 per cent.

1768 SECTION 97. Subsection (e) of said section 7 of said chapter 293, as most recently
1769 amended by section 88 of said chapter 287, is hereby further amended by striking out the second
1770 sentence.

1771 SECTION 98. Section 8 of said chapter 293, as amended by section 8 of chapter 129 of
1772 the acts of 2008, is hereby further amended by striking out clauses (iii), (iv) and (v) of subsection
1773 (a) and inserting in place thereof the following 2 clauses:-

1774 (iii) the municipality shall provide local infrastructure development assistance to the
1775 commonwealth with respect to the economic development project to the extent and for such time
1776 as is provided in section 10; and (iv) the commonwealth shall provide infrastructure development
1777 assistance to the agency to pay the debt service due in each fiscal year on any bonds issued by
1778 the agency to finance the costs of public infrastructure improvements included in such economic
1779 development project, subject to reimbursement of all or a portion of such state infrastructure
1780 development assistance through the collection of infrastructure assessments as provided in
1781 section 9 of this act and from local infrastructure assistance provided by the municipality as
1782 provided in section 10.

1783 SECTION 99. Subsection (b) of section 11 of said chapter 293, as amended by sections
1784 13 and 14 of said chapter 129, is hereby further amended by striking out the following words:-

1785 ; provided, however, that notwithstanding any other general or special law to the
1786 contrary, a certified economic development project receiving financial assistance for public
1787 infrastructure improvements pursuant to this act shall not be eligible for: (i) designation as a TIF
1788 zone pursuant to section 59 of chapter 40 of the General Laws; provided, however, that a
1789 certified economic development project designated as a TIF zone pursuant to said section 59 of
1790 said chapter 40 prior to January 1, 2009 shall be eligible to receive financial assistance for public
1791 infrastructure improvements pursuant to this act; (ii) the tax credit described in section 38N of
1792 chapter 63 of the General Laws; (iii) a community development action grant pursuant to section
1793 57A of chapter 121B of the General Laws; (iv) a public works economic development program
1794 grant under clause (c) of the first paragraph of section 17 of chapter 732 of the acts of 1981; or
1795 (v) or any other economic assistance program as may be determined by the secretary or the
1796 commissioner. The ineligibility to participate in economic assistance programs as provided in

1797 clauses (i) to (v), inclusive, shall not apply to any tenant of a certified economic development
1798 project which is not an affiliate of the developer".

1799 SECTION 100. Item 7100-1000 of section 2 of chapter 258 of the acts of 2008, as
1800 amended by section 66 of chapter 238 of the acts of 2012 is hereby amended by striking out the
1801 figure "$3" and inserting in place thereof the following figure:- $1.

1802 SECTION 101. A controlling business or affiliate of a controlling business which has
1803 been awarded state tax credits under chapter 19 of the acts of 1993 or sections 3A to 3H,
1804 inclusive, of chapter 23A of the General Laws, and which intends to claim such credits on tax
1805 filings for tax years beginning on or after January 1, 2016 shall enter into an EDIP, as defined in
1806 section 3A of said chapter 23A, contract setting forth the amount of the credits awarded, the
1807 amount of credits claimed or carried over, and the job creation obligations of the controlling
1808 business. Any controlling business or affiliate of a controlling business that fails to enter into an
1809 EDIP contract in form and substance acceptable to the Massachusetts office of business
1810 development on or before December 31, 2016 shall forfeit such credits. For purposes of this
1811 section, the terms controlling business, and EDIP contract shall have the meanings ascribed to
1812 them in said section 3A of said chapter 23A.

1813 SECTION 102. (a) Any and all references in the General Laws to "economic target area"
1814 or "ETA" shall be deemed to mean an economic target area designated by the economic
1815 assistance coordinating council (EACC), established pursuant to section 3B of chapter 23A of
1816 the General Laws and in existence as of the effective date of this act, or an area designated by the
1817 EACC as an economic target area in accordance with section 3G of said chapter 23A .

1818 (b) As of the effective date of this act, all references in the General Laws to "economic
1819 opportunity area" or "EOA" shall be deemed to mean an economic opportunity area designated
1820 by the EACC and in existence as of the effective date of this act, or an area designated by the
1821 EACCas an economic opportunity area pursuant to said section 3G of said chapter 23A. Existing
1822 economic target areas and economic opportunity areas designated by the EACC prior to January
1823 1, 2017 shall remain in effect until their scheduled termination date, if any.

1824 SECTION 103. Notwithstanding any general or special law to the contrary, sections 95
1825 to 99, inclusive shall not apply to economic development projects approved by the secretary of
1826 administration and finance pursuant to subsection (c) of section 7 of chapter 293 of the acts of
1827 2006, as amended by section 6 of chapter 129 of the acts of 2008, before January 1, 2017.

1828 SECTION 104. The Massachusetts Technology Park Corporation, established in section
1829 3 of chapter 40J of the General Laws and doing business as the Massachusetts Technology
1830 Collaborative, shall, subject to appropriation, create a cybersecurity and data analytics
1831 technology development and training center of excellence, in this section referred to as the
1832 center. The center shall convene interested public and private universities, governmental bodies
1833 and industry participants to share public and private data sets for the purposes of expanding the
1834 commonwealth's data analytics capabilities. The center may: (1) match public and private
1835 universities with industry participants to develop cybersecurity technology and expand data
1836 analytic capabilities; (2) provide a forum for sharing data sets for analysis; and (3) provide skills
1837 building and workforce training in cybersecurity and data analytics.

1838 The Massachusetts Technology Park Corporation shall file a report detailing the activities
1839 of the center on or before September 1, 2017 with the clerks of the house of representatives and

1840 the senate who shall forward the same to the house and senate committees on ways and means
1841 and the joint committee on economic development and emerging technologies.

1842 SECTION 105. Notwithstanding any general or special law to the contrary, to meet the
1843 expenditures necessary in carrying out section 2A, the state treasurer shall, upon receipt of a
1844 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified
1845 by the governor from time to time but not exceeding, in the aggregate, $746,500,000 . All bonds
1846 issued by the commonwealth, as aforesaid, shall be designated on their face, Commonwealth
1847 Economic Development Act of 2016, and shall be issued for a maximum term of years, not
1848 exceeding 30 years, as the governor may recommend to the general court pursuant to Section 3
1849 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds
1850 shall be payable not later than June 30, 2051. All interest and payments on account of principal
1851 on such obligations shall be payable from the General Fund. Bonds and interest thereon issued
1852 under the authority of this section shall, notwithstanding any other provision of this act, be
1853 general obligations of the commonwealth.

1854 SECTION 106. Notwithstanding any general or special law to the contrary, to meet the
1855 expenditures necessary in carrying out section 2B, the state treasurer shall, upon receipt of a
1856 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified
1857 by the governor from time to time but not exceeding, in the aggregate, $15,000,000. All bonds
1858 issued by the commonwealth, as aforesaid, shall be designated on their face, Commonwealth
1859 Economic Development Act of 2016, and shall be issued for a maximum term of years, not
1860 exceeding 30 years, as the governor may recommend to the general court pursuant to Section 3
1861 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds
1862 shall be payable not later than June 30, 2051. All interest and payments on account of principal

1863 on such obligations shall be payable from the General Fund. Bonds and interest thereon issued
1864 under the authority of this section shall, notwithstanding any other provision of this act, be
1865 general obligations of the commonwealth.

1866 SECTION 107. Notwithstanding any general or special law to the contrary, to meet the
1867 expenditures necessary in carrying out section 2C, the state treasurer shall, upon receipt of a
1868 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified
1869 by the governor from time to time but not exceeding, in the aggregate, $154,000,000. All bonds
1870 issued by the commonwealth, as aforesaid, shall be designated on their face, Commonwealth
1871 Economic Development Act of 2016, and shall be issued for a maximum term of years, not
1872 exceeding 30 years, as the governor may recommend to the general court pursuant to Section 3
1873 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds
1874 shall be payable not later than June 30, 2051. All interest and payments on account of principal
1875 on such obligations shall be payable from the General Fund. Bonds and interest thereon issued
1876 under the authority of this section shall, notwithstanding any other provision of this act, be
1877 general obligations of the commonwealth.

1878 SECTION 108. (a) There shall be a special commission to conduct a comprehensive,
1879 non-binding study relative to the regulation of fantasy contests in the commonwealth. The
1880 commission shall review all aspects of fantasy contests including, but not limited to, economic
1881 development, consumer protection, taxation, legal and regulatory structures, implications for
1882 existing gaming in the commonwealth, burdens and benefits to the commonwealth and any other
1883 factors the commission deems relevant. The special commission shall not include in its study a
1884 review of the state lottery or its ability to provide lottery products online or over the internet.

1885 (b) The commission shall consist of: 1 person who shall be appointed by the governor
1886 who shall have industry expertise in fantasy contests; 1 person who shall be appointed by the
1887 Massachusetts gaming commission; 1 person who shall be appointed by the attorney general who
1888 shall have expertise in fantasy contest consumer protection; 2 persons who shall be appointed by
1889 the president of the senate, 1 of whom shall be the senate chair of the joint committee on
1890 economic development and emerging technologies; 1 person who shall be appointed by the
1891 minority leader of the senate; 2 persons who shall be appointed by the speaker of the house of
1892 representatives, 1 of whom shall be the house chair of the joint committee on economic
1893 development and emerging technologies; and 1 person who shall be appointed by the minority
1894 leader of the house of representatives.

1895 (c) The commission shall convene its first meeting not later than October 1, 2016, and
1896 shall elect a chairperson. The commission shall submit its final report and its recommendations
1897 for legislation by filing the same with the clerks of the senate and the House of Representatives
1898 not later than March 1, 2017.

1899 SECTION 109. The deduction allowed pursuant to clause (19) of subsection (a) of part B
1900 of section 3 of chapter 62 of the General Laws shall apply for taxable years beginning on or after
1901 January 1, 2017 through the tax year beginning on January 1, 2021.

1902 SECTION 110. Sections 4 to 6, inclusive, 14 to 20, inclusive, 29, 30, 51 to 61, inclusive,
1903 63 to 77, inclusive, 95 to 99, inclusive and 102 shall be effective for tax years beginning on or
1904 after January 1, 2017.

1905 SECTION111. Sections 4 to 6, inclusive, 14 to 20, inclusive, 29, 30, 51 to 61, inclusive,
1906 63 to 77, inclusive, 95 to 99, inclusive and 102 shall take effect on January 1, 2017.

1907 SECTION 112. Sections 21 to 26, inclusive, 33 to 53, inclusive, shall take effect on

1908 October 1, 2016.