

**SENATE . . . . . No. 215**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***James B. Eldridge***

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

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

An Act relative to transparency of economic development spending.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>
<i>Peter V. Kocot</i>	<i>1st Hampshire</i>
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>
<i>Brian A. Joyce</i>	<i>Norfolk, Bristol and Plymouth</i>
<i>Benjamin Swan</i>	<i>11th Hampden</i>
<i>Stephen L. DiNatale</i>	<i>3rd Worcester</i>
<i>Marcos A. Devers</i>	<i>16th Essex</i>
<i>Daniel M. Donahue</i>	<i>16th Worcester</i>
<i>Timothy J. Toomey, Jr.</i>	<i>26th Middlesex</i>

**SENATE . . . . . No. 215**

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By Mr. Eldridge, a petition (accompanied by bill, Senate, No. 215) of James B. Eldridge, Peter V. Kocot, Jason M. Lewis, Denise Provost and other members of the General Court for legislation relative to transparency of economic development spending. Economic Development and Emerging Technologies.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE SENATE, NO. 174 OF 2013-2014.]

**The Commonwealth of Massachusetts**

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**In the One Hundred and Eighty-Ninth General Court  
(2015-2016)**  
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An Act relative to transparency of economic development spending.

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

1 SECTION 1. The General Laws, as appearing in the 2012 Official Edition, are hereby  
2 amended by inserting after Chapter 30B the following additional section:-

3 Chapter 30C. Transparency of Economic Development Spending.

4 Section 1. As used in Chapter 30C, the following words shall, unless the context clearly  
5 requires otherwise, have the following meanings:-

6 "Development subsidy" means any expenditure of public funds with a value of at least  
7 \$25,000.00 for the purpose of stimulating economic development within the Commonwealth,  
8 including but not limited to bonds, grants, loans, loan guarantees, enterprise zones,

9 empowerment zones, tax increment financing, grants, fee waivers, land price subsidies, matching  
10 funds, tax abatements, tax exemptions, and tax credits.

11 "Property-taxing entity" means any entity that levies taxes upon real or personal property.

12 "State" means an agency, board, commission, office, public benefit corporation or public  
13 benefit authority of the Commonwealth.

## 14 Section 2. Unified Economic Development Budget

15 (a) The Massachusetts Department of Revenue shall submit an annual Unified Economic  
16 Development Budget to the Legislature no later than three months after the end of the  
17 Commonwealth's fiscal year. The report shall present all types of expenditures for economic  
18 development during the prior fiscal year, including but not limited to:

19 (i) The amount of uncollected state tax revenues resulting from every corporate tax credit,  
20 abatement, exemption and reduction provided by the Commonwealth's or a local governmental  
21 unit including but not limited to gross receipts, income, sales, use, raw materials, excise,  
22 property, utility, and inventory taxes.

23 (ii) The name of each corporate taxpayer which claimed any tax credit, abatement,  
24 exemption or reduction under subdivision (i) of any value equal to or greater than \$5,000,  
25 together with the dollar amount received by each such corporation.

26 (iii) Any tax credit, abatement, exemption or reduction received by a corporation of less  
27 than \$5,000 each shall not be itemized. The Department of Revenue shall report an aggregate  
28 dollar amount of such expenditures and the number of companies so aggregated for each tax  
29 expenditure.

30 (iv) All state appropriated expenditures for economic development, including line-item  
31 budgets for every state-funded entity concerned with economic development, including but not  
32 limited to, Executive Office of Housing and Economic Development, Massachusetts Marketing  
33 Partnership, Massachusetts Growth Capital Corporation, Massachusetts Office of Business  
34 Development, Massachusetts Office of International Trade and Investment, Office of Small  
35 Business & Entrepreneurship, Seaport Advisory Council, Department of Housing and  
36 Community Development, Office of Indian Affairs, Department of Consumer Affairs and  
37 Business Regulation, Division of Insurance, Division of Banks, State Racing Commission,  
38 Division of Professional Licensure, Division of Standards, Department of Revenue, Department  
39 of Telecommunications and Cable, Executive Office of Labor and Workforce Development,  
40 Department of Workforce Development, Commonwealth Corporation, Division of Apprentice  
41 Training, Division of Career Services, Division of Unemployment Assistance, Department of  
42 Labor, Division of Occupational Safety, Labor Relations Council, Division of Labor Relations,  
43 Joint Labor Management Committee, Division of Industrial Accidents, Workers Compensation  
44 Advisory Council, Massachusetts Aeronautics Commission, Affirmative Market Program,  
45 Massachusetts Dept. of Agricultural Resources, BDC Capital, Community Economic  
46 Development Assistance Corporation, Massachusetts Office of International Trade and  
47 Investment, Massachusetts Development Finance Agency, Massachusetts Export Center,  
48 Massachusetts Small Business Development Center Network, State Office of Minority and  
49 Women Business Assistance, Office of Technical Assistance and Technology, Massachusetts  
50 Technology Collaborative, Massachusetts Life Science Center.

51 (v) The Department of Revenue shall annually compile and publish all of the data  
52 contained in the reports required under paragraph (a) in both written and electronic form. The

53 information in the report shall be included as part of the Searchable Website administered by the  
54 Secretary of Administration and Finance.

55 Section 3. Unified Reporting of Property Tax Reductions and Abatements

56 (a) Each property-taxing entity shall annually submit a report to the Massachusetts  
57 Department of Revenue regarding any real property in the entity's jurisdiction that has received a  
58 development subsidy of at least \$5,000 in the form of a property tax abatement or reduction  
59 during the fiscal year. The report shall contain information including but not limited to: the name  
60 of the property owner; the address of the property; the start and end dates of the property tax  
61 reduction or abatement; the schedule of the tax reduction; each tax abatement, reduction and  
62 exemption for the property; and the amount of property tax revenue not paid to the taxing entity  
63 as a result of the reduction or abatement.

64 (b) Each property-taxing entity shall also submit a report to the Department of Revenue  
65 setting forth the total property tax revenue not paid to such entity during the fiscal year as a result  
66 of all property tax reductions and abatements in the entity's jurisdiction.

67 (c) The reports required under paragraphs (a) and (b) of this section shall be prepared on  
68 two forms prepared by the Department, and shall be submitted to the Department of Revenue by  
69 the property- taxing entity no later than three months after the end of the fiscal year.

70 (d) The Department of Revenue shall annually compile and publish all of the data  
71 contained in the reports required under paragraphs (a) and (b) in both written and electronic  
72 form. The information in the report shall be included as part of the Searchable Website  
73 administered by the Secretary of Administration and Finance.

74 (e) If a property-taxing entity fails to submit its reports to the Department or Revenue  
75 within the prescribed time, the Department shall notify the Comptroller of the Commonwealth,  
76 whereupon the Comptroller shall withhold further payments of any development subsidy to the  
77 delinquent entity until the entity files its reports with the Department.