SENATE . . . . . No. 2423

The Commonwealth of Massachusetts

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

SENATE, Tuesday, July 12, 2016

The committee on Ways and Means, to whom was referred the House Bill relative to job creation, workforce development and infrastructure investment (House, No. 4883) (the committee on Bonding, Capital Expenditures and State Assets having recommended that the bill be amended by substituting a new text (Senate, No. 2422); reports, recommending that the Bonding, Capital Expenditures and State Assets amendment be adopted with an amendment striking out all after the enacting clause and inserting in place thereof the text of Senate document numbered 2423.

For the committee,
Karen E. Spilka

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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. 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

7002-8006 For the MassWorks infrastructure program established in section 63 of chapter 23A of the General Laws ……..……. $330,000,000

7002-8007 For matching grants to enable institutions of higher education, including state and municipal colleges and universities, to participate in and receive federal funding from the National Network for Manufacturing Innovation……..……..…… $71,000,000

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

7002-8009 For a program to be administered by the Massachusetts Development Finance Agency: (i) to make grants to private property owners, nonprofit entrepreneur support organizations and business operators; (ii) to make grants and loans to municipalities for design, construction and improvement of buildings and for equipment to spur innovation and entrepreneurship across the commonwealth including, but not limited to, co-working spaces, innovation centers, maker spaces, post-incubation start-ups and artist spaces …… $15,000,000

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

7002-8012 For the Scientific and Technology Research and Development Matching Grant Fund established in section 4G of chapter 40J of the General Laws ……$15,000,000

7002-8013 For the Advanced Manufacturing, Technology and Hospitality Training Trust Fund established in section 2OOOO of chapter 29 of the General Laws.....$30,000,000

7002-8014 For the Massachusetts Food Trust Program established in section 65 of chapter 23A of the General Laws ……..……..…… $6,000,000

7002-8017 For the Massachusetts Technology Park Corporation established in section 3 of chapter 40J of the General Laws and doing business as the Massachusetts Technology Collaborative, to create a cybersecurity and data analytics technology development and training center of excellence pursuant to section 107 ……..……... $4,500,000

7002-8018 For public infrastructure grants to municipalities and other public instrumentalities for design, construction, building, land acquisition, rehabilitation, repair and other improvements to publicly-owned infrastructure; provided, that $350,000 shall be expended for the acquisition, design, engineering and construction of the Riverwalk along the Sudbury river in the town of Ashland; provided further, that $400,000 shall be expended for infrastructure improvements in the Town of Holbrook to support economic development in the town center area and improve access to the regional commuter rail station; provided further, that $150,000 shall be expended for improvements to the downtown area in the town of Framingham to enhance the pedestrian access to public and private facilities including train and bus stations; provided further, that $375,000 shall be expended for the design, permitting and construction of Americans with Disabilities Act compliance work, including the construction of an elevator to the upper floor theater spaces in town hall in the town of Royalston; provided that $500,000 shall be expended for the restoration, rehabilitation and renovation of the Lowell Memorial Auditorium in order to ensure compliance with the Americans with Disabilities Act in the city of Lowell; and provided further, that $125,000 shall be expended to make structural improvements and repairs at the Academy of Music in the town of Northampton……. $5,000,000

7002-8021 For the Brownfields Redevelopment Fund established by section 29A of chapter 23G of the General Laws ……..……..…… $45,000,000

SECTION 2B.

EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

Department of Housing and Community Development

7004-8016 For the Smart Growth Housing Trust Fund established by section 35AA of chapter 10 of the General Laws……..…….. $7,500,000

SECTION 2C.

EXECUTIVE OFFICE OF EDUCATION

Office of the Secretary

7009-2005 For a competitive grant program to be administered by the executive office of education, in consultation with the executive office of housing and economic development and the executive office of labor and workforce development, to provide funding for the purchase and installation of equipment and any related improvements and renovations to facilities necessary for the installation and use of such equipment, in order to establish, upgrade and expand career technical education and training programs that are aligned to regional economic and workforce development priorities; provided, that grant applications may facilitate collaboration to provide students enrolled in eligible vocational technical schools with postsecondary opportunities consistent with clause (o) of the first paragraph of section 22 of chapter 15A of the General Laws and section 37A of chapter 74 of the General Laws; provided further, that innovation centers that receive funds from the Massachusetts Life Sciences Center shall also be eligible for funds from this program; and provided further, that the executive office

of education, in consultation with the executive office of housing and economic development and the executive office of labor and workforce development, shall adopt additional guidelines as necessary for the administration of the program…….…… $45,000,000

7009-2006 For competitive grants to cities, towns, regional school districts and institutions of public higher education, including state and municipal colleges and universities, for capital investment to support the establishment and implementation of early college high school programs which may include, but shall not be limited to, design, engineering and construction costs to create or improve facilities, equipment costs or information technology costs associated with the programs; provided, that the programs shall support students who work simultaneously on the completion of a high school diploma from the partnering school district while also earning free college credits towards an associate degree or certificate at the partnering institution of higher education; provided further, that the programs shall provide full access to college support services, student activities and tutoring and shall ensure holistic wrap-around support which meets the academic, social and emotional needs of the student and shall ensure full access to the same for students with physical or learning disabilities; provided further, that in awarding these grants, preference shall be given to innovative joint proposals developed by partnering school districts, colleges and local and regional nonprofits, where appropriate; and provided further, that the grants shall be awarded, to the extent feasible, in a manner that reflects geographic and demographic diversity…….…….. $2,400,000

MASSACHUSETTS DEPARTMENT OF TRANSPORTATION

Office of the Secretary

6720-1340 For mitigation of or contribution toward any costs associated with or arising out of improvements to the Paul W. Conley terminal in the South Boston section of the city of Boston to accommodate mega ships for the continued competitiveness of the terminal, including costs related to berth construction and crane procurement; provided, that the secretary, in coordination with the chief executive officer of the Massachusetts Port Authority, shall seek to maximize federal funds and reimbursement to offset, to the extent feasible, costs incurred under this item; provided further, that the Massachusetts Port Authority shall submit an annual report not later than October 1 to the clerks of the senate and house of representatives who shall forward the report to the chairs of the house and senate committees on bonding, capital expenditures and state assets and the report shall include, but shall not be limited to: (i) the progress on the dredging of the Boston harbor; (ii) updates on the berth construction and crane procurement authorized under this item; (iii) progress on efforts to seek federal funds and reimbursements; (iv) the feasibility of obtaining private funding; and (vi) the economic benefit derived from this investment ……....……..…….. $107,500,000

SECTION 3. Chapter 7 of the General Laws is hereby amended by inserting after section 23B the following section:-

Section 23B ½. For the purposes of this chapter, minority business enterprise and women business enterprise contracting goals within state procurement shall be reflective of the diverse racial, ethnic and gender makeup of the commonwealth’s population.

SECTION 4. Chapter 12A of the General Laws is hereby amended by adding the following section:-

Section 16. (a) There shall be a tax expenditure review unit in the office which shall examine and evaluate the administration, effectiveness and fiscal impact of tax expenditures as defined in section 1 of chapter 29. The unit shall develop a schedule to conduct a review of tax expenditures and shall update the schedule annually.

(b) Pursuant to the schedule developed under subsection (a), the unit shall:

(i) evaluate the particular public policy purposes of the various tax expenditures and whether existing tax expenditures are an effective means of accomplishing those public policy purposes;

(ii) utilize best practices and standardized criteria used by other states for measuring the effectiveness of tax expenditures;

(iii) measure the economic impact of each tax expenditure including, but not limited to, revenue loss compared to economic gain, jobs created or retained and any administrative requirements for taxpayers and the commonwealth; provided, however, that the unit may collaborate with the department of revenue for such analysis;

(iv) identify, in consultation with the department of revenue and other appropriate stakeholders, metrics for assessing the effectiveness of tax expenditures to achieve identified purposes and outcomes and collect the necessary data based on such metrics, including foregone revenue, beneficiaries, distribution of amounts received and other appropriate data depending on the metrics selected;

(v) analyze clawback provisions, including a review of clawback provisions in other jurisdictions, the general economic impact on taxpayers and the amount of money that may be subject to clawback for failure to fulfill the stated goals, benchmarks or conditions of a tax expenditure and make recommendations for effective clawback provisions for current and future tax expenditures; and

(vi) recommend, where appropriate, the simplification, expansion, reduction, modification or elimination of certain tax expenditures.

(c) The department of revenue shall provide information as requested by the unit. The unit, in collaboration with the department of revenue, shall develop policies and procedures to ensure taxpayer confidentiality and shall limit requests to information necessary to perform its duties under this section. Notwithstanding any general or special law to the contrary, any other agency involved in the administration of any tax expenditures shall provide documents and information as requested by the unit.

(d) The unit shall have access to documents and information, including tax returns and related documents maintained by the department of revenue, necessary for the performance of the unit's duties under this section, but excluding information provided to the commonwealth by other federal and state tax agencies where such access is prohibited by law; provided, however, that tax returns and related documents shall not include a taxpayer's personal identifying information and such returns and documents shall be confidential and exempt from disclosure as a public record at all times.

(e) Annually, not later than January 31, the unit shall report the results of its findings and activities of the preceding year and its recommendations to the clerks of the senate and house of representatives who shall forward the report to the house and senate committees on ways and means and the joint committee on revenue. The report shall include, but not be limited to: (i) the date a tax expenditure was enacted; (ii) the statutory citation or federal law reference; (iii) the public policy purpose and desired outcome; (iv) the updated tax expenditure review schedule required by subsection (a); and (v) recommendations, if any, for the simplification, expansion, reduction, modification or elimination of any tax expenditures to more effectively achieve their identified public policy purposes. The annual report shall be posted on the website of the office of inspector general.

SECTION 5. Section 18 of chapter 21A of the General Laws, as appearing in the 2014 Official Edition, is hereby amended by striking out, in line 269, the figure “3D” and inserting in place thereof the following figure:- 3G.

SECTION 6. Section 2 of chapter 21E of the General Laws, as so appearing, is hereby amended by striking out, in line 80, the figure “3D” and inserting in place thereof the following figure:-3G.

SECTION 7. Chapter 23A of the General Laws is hereby amended by striking out sections 3A to 3G, inclusive, as so appearing, and inserting in place thereof the following 7 sections:-

Section 3A. (a) There shall be an economic development incentive program, or EDIP, which shall be administered by the EACC, under the oversight of the secretary of housing and

economic development, to provide incentives that stimulate job creation and investment of private capital and to promote economic growth and expand economic opportunity to all areas of the commonwealth. EDIP tax credits and other incentives shall be administered to stimulate job creation, attract new business activity and promote investment that would not otherwise occur in the commonwealth.

(b) As used in this section and sections 3B to 3H, inclusive, the following words shall have the following meanings unless the context clearly requires otherwise:

"Affiliate", a business which directly or indirectly controls another business, a business which is controlled by another business or a business which is under direct or indirect common control of at least 1 other business including, but not limited to, a business with whom a business is merged or consolidated or which purchases all or substantially all of the assets of a business.

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

"Certified project", a proposed project that is certified by the EACC pursuant to section 3C.

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

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

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

"Expansion of an existing facility", the relocation of business functions and employees from 1 location in the commonwealth to another location in the commonwealth or the expansion of an existing facility located in the commonwealth if such relocation or expansion results in a net increase in the number of permanent full-time employees at the relocated or expanded facility.

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

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

"Material noncompliance", the failure of a controlling business to substantially achieve the capital investment, job creation, job retention or other economic benefits set forth in the EDIP contract or any other act, omission or misrepresentation by the controlling business that frustrates the public purpose of the economic development incentive program.

"Municipal project endorsement", an endorsement, by vote of the city council with the approval of the mayor in a city and by vote of the board of selectmen in a town, of a proposed project by the municipality in which a proposed project will be located which shall include: (i) a finding by the municipality that the proposed project will be consistent with the municipality's economic development objectives; (ii) a finding by the municipality that the proponent of the proposed project has the means to undertake and complete the proposed project; (iii) a finding by the municipality that the proposed project will have a reasonable chance of increasing or retaining employment opportunities as advanced in the proposal; (iv) a determination by the municipality that the proposed project will not overburden the municipality's infrastructure and other supporting resources; and (v) a description of the local tax incentive, if any, offered by the municipality in support of the proposed project, together with a copy of the fully executed tax increment financing agreement or the fully executed agreement setting forth the terms of the special tax assessment, as applicable.

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

"Permanent full-time employee", an individual who is paid wages by a controlling business and who: (i) at the inception of the employment relationship, does not have a

termination date which is either a date certain or determined with reference to the completion of some specified scope of work; (ii) works at least 35 hours per week; and (iii) receives employee benefits at least equal to those provided to other full-time employees of the controlling business; provided, however, that "permanent full-time employee" shall not include contractors or part-time employees who may be included in a calculation of the controlling business' full-time equivalent workforce.

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

"Proposed project", a proposal submitted by a controlling business to the EACC for designation as a certified project.

"Real estate project", the construction, rehabilitation or improvement of any building or other structure on a parcel of real property which, when completed, will result in at least a 100 per cent increase in the assessed value of the real property over the assessed value of the real property prior to the project.

"Refundable credit", a tax credit awarded pursuant to this chapter that is not limited by the amount of the controlling business' tax liability and which may result in a payment from the department of revenue to the controlling business.

"Replacement of an existing facility", the relocation of business functions and personnel from 1 facility located in the commonwealth to another facility located in the commonwealth or

the improvement of an existing facility provided that such relocation or improvement does not qualify as an expansion of the existing facility.

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

"Tax increment financing agreement", an agreement between a municipality and a real property owner consistent with subsection (b) of section 3E and section 59 of chapter 40.

"TIF", tax increment financing.

Section 3B. (a) There shall be an economic assistance coordinating council, or EACC, established within MOBD which shall consist of: the secretary of housing and economic development or the secretary's designee who shall serve as co-chairperson; the director of housing and community development or a designee who shall serve as co-chairperson; 1 person to be appointed by the secretary of housing and economic development; the director of career services or a designee; the secretary of labor and workforce development or a designee; the director of business development or a designee; the president of the Commonwealth Corporation or a designee; and 7 persons to be appointed by the governor, 1 of whom shall be from the western region of the commonwealth, 1 of whom shall be from the central region of the commonwealth, 1 of whom shall be from the eastern region of the commonwealth, 1 of whom shall be from the southeastern region of the commonwealth, 1 of whom shall be from Cape Cod or the Islands, 1 of whom shall be a representative of a higher educational institution in the commonwealth and 1 of whom shall be from the Merrimack Valley. The persons appointed by the governor shall have expertise in issues pertaining to training, business relocation or inner city

and rural development and shall be knowledgeable in public policy or international and state economic and industrial trends. Each member appointed by the governor shall serve at the pleasure of the governor. The council shall adopt by-laws to govern its affairs.

(b) The EACC shall administer the economic development incentive program and may:

(i) promulgate regulations and adopt policies and guidances to effectuate the purposes of sections 3A to 3H, inclusive;

(ii) certify projects for participation in the economic development incentive program and establish regulations for evaluating the proposals of those projects;

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

(iv) authorize municipalities to apply to the United States Foreign Trade Zone Board for the privilege of establishing, operating and maintaining a foreign trade zone in accordance with section 3G;

(v) assist municipalities in obtaining state and federal resources and assistance for certified projects and other job creation and retention opportunities;

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

(vii) monitor the implementation of the economic development incentive program.

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

Section 3C. (a) A controlling business may petition the EACC to certify a proposed project that will create new permanent full-time employees within the commonwealth. Each proposed project submitted by a controlling business to the EACC for review and certification shall include: (i) a detailed description of the proposed project; (ii) a representation by the controlling business regarding the amount of capital investment to be made, the number of new jobs to be created and the number of existing jobs to be retained; (iii) a representation by the controlling business regarding any other economic benefits or other public benefits expected to result from the construction of the proposed project; (iv) a municipal project endorsement; and (vi) any other information that the EACC shall require by regulation, policy or guidance.

(b) Upon receipt of a completed project proposal and municipal project endorsement, the EACC may certify the proposed project, deny certification of the proposed project or certify the proposed project with conditions. In order to certify a proposed project, with or without conditions, the EACC shall make the following required findings based on the project proposal, the municipal project endorsement and any additional investigation that the EACC shall make and incorporate in its minutes:

(i) the proposed project is located or will be located within the commonwealth;

(ii) (A) if the controlling business has at least 1 existing facility in the commonwealth, then the proposed project shall be an expansion of an existing facility and not merely the replacement of an existing facility except in the case of a proposed project that will enable a controlling business to retain jobs in a gateway city as provided in subclause (2) of clause (B) ; or

(B) the proposed project will either: (1) enable the controlling business to hire new permanent full-time employees in the commonwealth; or (2) enable the controlling business to retain at least 50 permanent full-time jobs at a facility located in a gateway city or in an adjacent city or town that is accessible by public transportation to residents of a gateway city and such jobs otherwise would be relocated outside of the commonwealth;

(iii) the controlling business has committed to maintaining new and retained jobs for a period of at least 5 years after the completion of the proposed project;

(iv) the proposed project appears to be economically feasible and the controlling business has the financial and other means to undertake and complete the proposed project;

(v) unless the proposed project will be located in a gateway municipality, a duly authorized representative of the controlling business has certified to the EACC that the controlling business would not have undertaken the proposed project but for the EDIP tax credits and local tax incentives available to it under this chapter; and

(vi) the proposed project complies with all applicable statutory requirements and with any other criteria that the EACC may from time to time prescribe by regulation, policy or guidance.

The EACC shall, by regulation, policy or guidance, provide for the contents of an application for project certification which may include a requirement that the controlling business provide written evidence to support the certification provided for in clause (v).

(c) A certified project shall retain its certification for the period specified by the EACC in its certification decision; provided, however, that such specified period shall be not less than 5 years or more than 20 years from the date of certification.

Section 3D. (a) The EACC may award to the controlling business of a certified project or to its affiliate tax credits available under subsection (g) of section 6 of chapter 62 or under section 38N of chapter 63. The amount of any such credits awarded and the schedule on which those credits may be claimed shall be determined by the EACC based on:

(i) the degree to which the certified project is expected to increase employment opportunities for residents of the commonwealth, with consideration given to the number of new full-time jobs to be created, the number of full-time jobs to be retained, the salary or other

compensation that will be paid to the employees and the amount of new state income tax to be generated;

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

(iii) the amount of capital to be invested by the controlling business in the certified project;

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

(v) the extent to which the certified project is expected to contribute to the economic revitalization of a gateway municipality or increase employment opportunities to residents of a gateway municipality;

(vi) the economic need of the municipality or region in which the certified project is to be located as determined by income levels, employment levels or educational attainment levels; and

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

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

(b) The EACC may grant refundable tax credits to a certified project; provided, however, that the EACC shall not authorize more than $5,000,000 in refundable tax credits for any single calendar year.

(c) The total amount of tax credits that may be authorized by the EACC under this section for any calendar year shall not exceed $30,000,000 which shall be calculated in accordance with the relevant provisions of subsection (g) of section 6 of chapter 62 and section 38N of chapter 63. The EACC may authorize an award of tax credits to a controlling business that spans multiple years if the total amount of credits due to be taken in any single calendar year does not exceed the applicable cap.

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

(e) The decision by the EACC to certify or deny certification of a proposed project pursuant to section 3C and the decision by the EACC to award or deny tax credits to the controlling business of a certified project pursuant to this section, including without limitation the amount of such award, and any conditions or limitations on such award, shall be decisions that are within the sole discretion of the EACC. Such decisions by the EACC shall be final and shall not be subject to administrative appeal or judicial review under chapter 30A or give rise to any other cause of action or legal or equitable claim or remedy.

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

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

If a municipality offers tax increment financing to the owner of a certified project, the municipal project endorsement for the certified project shall include a fully executed copy of the tax increment financing agreement adopted pursuant to said section 59 of said chapter 40. Any tax increment financing agreement shall be approved by the EACC before it shall be valid and enforceable. The EACC may approve a tax increment financing agreement pursuant to regulations adopted by the EACC. Any approval shall include a finding, reflected in the EACC's minutes, that the tax increment financing agreement complies with said section 59 of said chapter 40 and will further the public purpose of encouraging increased industrial and commercial activity in the commonwealth.

(c) A municipality may offer a special tax assessment to the controlling business of a certified project, to a person or entity undertaking a real estate project or to a person or entity proposing to retain permanent full-time jobs at a facility that otherwise would be at risk of relocating outside of the commonwealth. Any special tax assessment shall be set forth in a written agreement between the municipality and the property owner. The agreement shall include the amount of the tax reduction and the period of time over which such reduction shall be in effect, which shall be for not less than 5 years or not more than 20 years. Every special tax assessment approved by the EACC shall provide for a reduction of the real property tax that otherwise would be due. The reduction shall be based upon a percentage reduction in the tax that otherwise would be due on the full assessed value of the affected property. The special tax assessment shall provide for tax reduction at least equal to the following: (i) in the first year, the tax reduction shall be not less than 50 per cent of the tax that would be due based on the full assessed value of the affected property; (ii) in the second and third years, the tax reduction shall be not less than 25 per cent of the tax that would be due based on the full assessed value of the

affected property; and (iii) in the fourth and fifth years, the tax reduction shall be not less than 5 per cent of the tax that would be due based on the full assessed value of the affected property.

The municipality may at its discretion provide for greater real property tax reductions than provided in clauses (i) to (iii).

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

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

Section 3F. (a) Not later than 2 years after the initial certification of a project by the EACC, and annually thereafter, the controlling business or affiliate awarded EDIP tax credits

shall file a report with MOBD, signed by an authorized representative of the controlling business or affiliate, certifying whether the controlling business or affiliate has achieved the job creation projections, job retention projections and other material obligations or representations set forth in the EDIP contract.

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

(c) The EACC may revoke a project certification if it determines that a controlling business or affiliate is in material noncompliance with a representation made in its application for project certification or the obligations set forth in an EDIP contract. The EACC shall have the discretion to determine whether material noncompliance shall result in revocation of a project certification, taking into account: (i) the conduct of the controlling business subsequent to the project certification; (ii) the extent to which the material noncompliance is the result of unforeseen conditions that are outside the control of the controlling business; (iii) the potential impact on the municipality in which the certified project is located; and (iv) other considerations as the EACC shall establish by regulation or policy.

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

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

(e) If a controlling business has claimed tax credits awarded under this chapter prior to the date on which the EACC makes a determination to revoke project certification, then the recapture provisions of subsection (g) of section 6 of chapter 62 and subsection (i) of section 38N of chapter 63 shall apply. If a controlling business has benefited from a local tax incentive under this chapter prior to the revocation of a project certification, then notwithstanding any general law to the contrary, the municipality that offered the local tax incentive may recapture

the value of the tax not paid by making a special assessment on the controlling business in the tax year that follows the EACC's decision to revoke project certification. The assessment, payment and collection of the special assessment shall be governed by procedures provided for the taxation of omitted property under section 75 of chapter 59 notwithstanding the time period set forth in said chapter 59 for which omitted property assessments may be imposed for each of the fiscal years included in the special assessment.

Section 3G. (a) The EACC may designate 1 or more areas as an economic target area or economic opportunity area in connection with an application from a municipality seeking the designation under the federal Empowerment Zones and Enterprise Communities Program or other local, state or federal programs that contemplate such designations. Designations of new economic target areas, if any, shall be made in accordance with the criteria in subsection (b). Designations of new economic opportunity areas, if any, shall be made at the discretion of the EACC in accordance with regulations to be promulgated by the EACC, or rules or policies adopted by the EACC.

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

(i) the proposed economic target area has an unemployment rate that exceeds the statewide average by not less than 25 per cent;

(ii) if the proposed economic target area is located in a metropolitan area, then not less than 51 per cent of the households in the proposed economic target area have incomes that are below 80 per cent of the median income for households in the metropolitan area;

(iii) if the proposed economic target area is not located in a metropolitan area, then not less than 51 per cent of the households in the proposed economic target area have incomes that are below 80 per cent of the median income for households in the commonwealth;

(iv) the proposed economic target area has a poverty rate which is not less than 20 per cent higher than the average poverty rate for the commonwealth;

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

(vi) the area proposed for designation has exceptional potential for economic development as a result of: (i) the proposed redevelopment of blighted real estate or abandoned buildings totaling not less than 1,000,000 square feet; (ii) the proposed establishment of a regional technology center of not less than 3,000,000; or (iii) the proposed development of a Class I renewable energy generating facility.

(c) A city or town with an economic opportunity area may make application to the United States Foreign Trade Zones Board under 19 U.S.C. 81(a) to 81(u), inclusive, for a grant to the city or town for the privilege of establishing, operating and maintaining a foreign trade zone within its economic opportunity area. Upon petition from a city or town, the EACC may authorize any other city or town to make application to the Foreign Trade Zones Board for a

grant to the city or town for the privilege of establishing, operating and maintaining a foreign trade zone.

SECTION 8. Subsection (a) of section 3J of said chapter 23A, as so appearing, is hereby amended by striking out the first paragraph and inserting in place thereof the following paragraph:-

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

SECTION 9. Said section 3J of said chapter 23A, as so appearing, is hereby further amended by adding the following subsection:-

(d) Contracts for services entered into under this section shall include, but not be limited to, the following services to be performed by the regional economic development organizations on behalf of the commonwealth: (i) assessing regional competitive strengths, weaknesses and opportunities; (ii) representing the regional business community in long-range workforce skills pipeline planning efforts to ensure robust skills and talent pipelines that meet regional needs; (iii) representing the regional business community in collaborative, long-range workforce skills, transportation and land use planning; (iv) promoting regionally significant industry clusters; (v) promoting connections across sectors of the regional economy; (vi) maintaining an inventory of key development parcels; (vii) marketing the region in coordination with the Massachusetts marketing partnership established under section 13A; and (viii) furnishing advice and assistance to businesses and industrial prospects which may locate in the region.

SECTION 10. Subsection (b) of section 63 of said chapter 23A, as so appearing, is hereby amended by adding the following sentence:- A project receiving EDIP tax credits under section 3D shall not be eligible for grants under this section in any year in which the project receives an EDIP tax credit.

SECTION 11. Said section 63 of said chapter 23A, as so appearing, is hereby amended by inserting after the figure “(e)”, in line 40, the following words:- ; provided, however, that not less than 10 days prior to making such grants, the secretary shall provide notice of the intent to make a grant outside of the open solicitation period to the clerks of the senate and the house of representatives and the senate and house chairs of the committees on ways and means.

SECTION 12. Subsection (e) of said section 63 of said chapter 23A, as so appearing, is hereby amended by striking out the first sentence and inserting in place thereof the following

sentence:- Within the program, at least 20 per cent of the grant funds shall annually be dedicated to assist towns with populations of not more than 30,000 people in undertaking projects to design, construct, reconstruct, widen, resurface, rehabilitate and otherwise improve roads and bridges or for the construction of chemical storage facilities that support economic development; provided, however, that not less than 10 per cent of such designated funds shall be dedicated to assist towns with populations of not more than 7,000 people.

SECTION 13. Said section 63 of said chapter 23A, as so appearing, is hereby amended by inserting after the word “all”, in line 79, the following words:- applications received, a list and description of all.

SECTION 14. Section 65 of said chapter 23A, inserted by section 12 of chapter 286 of the acts of 2014, is hereby amended by striking out subjection (j) and inserting in place thereof the following subsection:-

(j) The executive office of housing and economic development shall consult with the department of agricultural resources to develop and implement the Massachusetts Food Trust Program. To the maximum extent feasible, the community development financial institution and the executive office of housing and economic development shall seek to align efforts with the recommendations of the most recent Massachusetts local food action plan as accepted by the Massachusetts food policy council or subsequent plans accepted by the council.

SECTION 15. Section 65 of said chapter 23A, inserted by section 29 of chapter 287 of the acts of 2014, is hereby repealed.

SECTION 16. Said chapter 23A of the General Laws is hereby amended by adding the following section:-

Section 67. (a) The secretary of housing and economic development shall establish a financial services advisory council in the executive office of housing and economic development, the purpose of which shall be to advise the governor or the governor's designee on policies, strategies and initiatives designed to preserve and advance the competitiveness and leadership of the commonwealth's financial services industry, including the banking, investment management and insurance sectors.

(b) The council shall be comprised of: the secretary of housing and economic development, who shall serve as chair; the house and senate chairs of the joint committee on economic development and emerging technologies; the house and senate chairs of the joint committee on financial services; the commissioner of higher education; the executive director of the Massachusetts international trade office; and 8 representatives of the business community who shall be appointed by the secretary of housing and economic development, including not less than 2 business representatives from each of the following sectors: banking, investment management and insurance sectors; not less than 1 business representative from a company with its headquarters located in Suffolk, Middlesex, Essex, Norfolk or Worcester county or district; not less than 1 business representative from a company with its headquarters located in Hampshire, Hampden, Franklin or Berkshire county or district; and not less than 1 business representative from a company with its headquarters located in Bristol, Plymouth, Nantucket or Barnstable county or district or the county of Dukes County. The secretary, in making the appointments, shall consider the size of the business representative's company, including its

employee base within the commonwealth and the amount of assets under management or premiums in force. Business representatives shall be appointed for 2-year terms and may be reappointed without limitation on the number of terms.

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

SECTION 17. Subsection (c) of section 5 of chapter 23G of the General Laws, as appearing in the 2014 Official Edition, is hereby amended by striking out clause (1) and inserting in place thereof the following clause:-

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

SECTION 18. Said subsection (c) of said section 5 of said chapter 23G, as so appearing, is hereby further amended by striking out clause (8) and inserting in place thereof the following clause:-

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

SECTION 19. Section 7 of said chapter 23G, as so appearing, is hereby amended by striking out, in line 31, the figure “$500,000” and inserting in place thereof the following figure:- $1,000,000.

SECTION 20. Section 29A of said chapter 23G, as so appearing, is hereby amended by striking out, in line 17, the word “environmental” and inserting in place thereof the following words:- demolition of vacant, abandoned or underutilized industrial or commercial property, environmental.

SECTION 21. Section 8 of chapter 23H of the General Laws, as so appearing, is hereby amended by striking out, in lines 7 and 8, the words “persons residing in economic opportunity areas,”.

SECTION 22. Section 5 of chapter 23I of the General Laws, as so appearing, is hereby amended by striking out, in line 69, the words “in an economic opportunity area pursuant to section 3F” and inserting in place thereof the following words:- as defined in section 3A.

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

SECTION 24. Said section 49 of said chapter 23K, as so appearing, is hereby further amended by striking out, in line 5, the figure “3E” and inserting in place thereof the following figure:- 3G.

SECTION 25. Said section 49 of said chapter 23K, as so appearing, is hereby further amended by striking out, in lines 25 and 26, the words, “the economic opportunity area” and inserting in place thereof the following words:- EDIP tax.

SECTION 26. Section 59 of chapter 40 of the General Laws, as so appearing, is hereby amended by striking out, in lines 11 to 15, inclusive, the words “an economic target area or an area presenting exceptional opportunities for increased economic development, as defined by section 3D of chapter 23A and as may be defined further by regulations adopted by the economic assistance coordinating council” and inserting in place thereof the following words:- an economic target area as defined in section 3G of chapter 23A or an area designated by the economic assistance coordinating council as a TIF-eligible area pursuant to subsection (b) of section 3E of said chapter 23A.

SECTION 27. Said section 59 of said chapter 40, as so appearing, is hereby further amended by striking out, in lines 84 and 88, the figure “3F” and inserting in place thereof, in each instance, the figure:- 3E.

SECTION 28. Section 60 of said chapter 40, as so appearing, is hereby amended by striking out, in lines 5 to 7, inclusive, the words “the director of housing and community development, in consultation with the department of economic development and” and inserting in place thereof the following words:- the department of housing and community development, in consultation with.

SECTION 29. Said section 60 of said chapter 40, as so appearing, is hereby further amended by striking out, in lines 15 to 18, inclusive, the words “characterized by a

predominance of commercial land uses, a high daytime or business population, a high concentration of daytime traffic and parking" and inserting in place thereof the following words:- located within an area of concentrated development characterized by a predominance of commercial land uses.

SECTION 30. Subsection (a) of said section 60 of said chapter 40, as so appearing, is hereby amended by striking out clause (ii) and inserting in place thereof the following clause:-

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

SECTION 31. Clause (iii) of said subsection (a) of said section 60 of said chapter 40, as so appearing, is hereby amended by striking out subclauses (1) to (3), inclusive, and inserting in place thereof the following 2 subclauses:-

(1) the numerator of which shall be: (A) in an UCH-TIF zone where the property includes primarily residential uses, the total assessed value of all parcels of all residential real estate that are assessed at full and fair cash value for the current fiscal year minus the new growth adjustment factor for the current fiscal year attributable to the residential real estate as determined by the commissioner of revenue pursuant to paragraph (f) of section 21C of said chapter 59; or (B) in an UCH-TIF zone where the property includes a mix of residential and commercial uses, the total assessed value of all parcels of all residential and commercial real estate that are assessed at full and fair cash value for the current fiscal year minus the new growth adjustment factor for the current fiscal year attributable to the residential and commercial real estate as determined by the commissioner of revenue pursuant to said paragraph (f) of said section 21C of said chapter 59; and

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

SECTION 32. Said subsection (a) of said section 60 of said chapter 40, as so appearing, is hereby further amended by striking out clause (v) and inserting in place thereof the following clause:-

(v) state that each owner of property located in an UCH-TIF zone seeking to establish eligibility for tax increment exemptions from annual property taxes pursuant to clause (iii) shall execute an agreement, referred to as an UCH-TIF agreement, with the city or town, the form of which shall be included as an attachment to the UCH-TIF plan. The UCH-TIF agreement shall include, but not be limited to, the following: (1) all material representations of the parties which

served as a basis for the granting of a UCH-TIF exemption; (2) any terms deemed appropriate by the city or town relative to compliance with the UCH-TIF agreement including, but not limited to, what shall constitute a default by the property owner and what remedies shall be allowed between the parties for any such defaults, including an early termination of the agreement; (3) provisions requiring that one of the affordability thresholds described in subsection (b) is met; (4) provisions stating that housing units that meet the affordability requirements of subsection (b) shall be subject to use restrictions as defined in this section; (5) a detailed recitation of the tax increment exemptions and the maximum percentage of the cost of public improvements that can be recovered through betterments or special assessments regarding a parcel of real property pursuant to clauses (iii) and (iv); (6) a detailed recitation of all other benefits and responsibilities inuring to and assumed by the parties to an agreement; and (7) a provision that the agreement shall be binding upon subsequent owners of the parcel of real property; and.

SECTION 33. Said section 60 of said chapter 40, as so appearing, is hereby further amended by striking out subsections (b) to (e), inclusive, and inserting in place thereof the following 6 subsections:-

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

(i) at least 15 per cent of the housing units assisted by the UCH-TIF agreement shall be affordable to occupants or families with incomes that are not more than 80 per cent of the area median income where the city or town is located, as defined by the United States Department of Housing and Urban Development, hereinafter referred to as AMI; or

(ii) Not less than 25 per cent of the housing units assisted by the UCH-TIF agreement shall be affordable to occupants or families with incomes that are not more than 110 per cent of the AMI; or

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

In addition, to support a finding of public benefit based on residential and commercial growth in an urban center, at least 1 of the following conditions shall be met:

(A) The UCH-TIF zone has either: (1) an unemployment rate that exceeds the statewide average by not less than 25 per cent, (2) a commercial vacancy rate of not less than 15 per cent or (3) an average household income that is not more than 115 per cent of the AMI;

(B) Not less than 51 per cent of the land area within the UCH-TIF zone is located within a qualified census tract, as defined in section 42(d)(5) of the Internal Revenue Code; or

(C) Not less than 51 per cent of the land area within the UCH-TIF zone constitutes a: (1) blighted open area, (2) decadent area or (3) sub-standard area, as defined in section 1 of chapter 121A.

(c) The department of housing and community development shall review each UCH-TIF plan to determine whether it complies with the terms of this section and regulations that may be adopted by the department; provided, however, that the department shall certify, based upon the

information submitted in support of the UCH-TIF plan by the city or town and through such additional investigation as the department may make, that the plan is consistent with the requirements of this section and will further the public purpose of encouraging increased residential growth, affordable housing and commercial growth; provided further, that a city or town may, at any time, revoke its designation of a UCH-TIF zone and, as a consequence of that revocation, shall immediately cease the execution of additional agreements pursuant to clause (v) of subsection (a); and provided further, that a revocation shall not affect agreements relative to property tax exemptions and limitations on betterments and special assessments pursuant to said clause (v) of said subsection (a), use restrictions or options to purchase and rights of first refusal required by this section which were executed before the revocation.

(d) The board, agency or officer of the city or town authorized pursuant to clause (vi) of said subsection (a) to execute UCH-TIF agreements shall submit each executed UCH-TIF agreement to the department of housing and community development for approval. The department shall, as a condition of approval, certify that the UCH-TIF agreement complies with the terms of this section and furthers the public purpose of encouraging increased residential growth, affordable housing and commercial growth in the commonwealth. Upon receipt of the department's certification, the board, agency or officer of the city or town authorized pursuant to said clause (vi) of said subsection (a) to execute UCH-TIF agreements shall forward to the board of assessors a copy of the approved UCH-TIF agreement, together with a list of the parcels included therein. An executed and approved UCH-TIF shall be recorded in the registry of deeds or the registry district of the land court wherein the land lies.

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

(f) The owner of property subject to an UCH-TIF agreement shall certify to the city or town the incomes of the families or occupants, upon initial occupancy, of the affordable housing units designated in the UCH-TIF agreement and provide that certification to the department of housing and community development on an annual basis. If the owner fails to provide certification or otherwise fails to comply with the UCH-TIF agreement, including failing to maintain the affordability of housing units assisted pursuant to this section, the city or town may place a lien on the property in the amount of the real estate tax exemptions granted pursuant to the UCH-TIF agreement for any year in which the owner is not in compliance with this subsection. If the city or town determines, with the approval of the department of housing and community development, that the owner is unlikely to come into compliance with the affordability requirements of said subsection (b) and said subclause (3) of said clause (v) of said subsection (a), the city or town may place a lien on the property in the amount of the total real estate tax exemption granted pursuant to the UCH-TIF agreement. The lien shall be recorded in the registry of deeds or the registry district of the land court wherein the land lies.

(g) For the purposes of this section an “area of concentrated development” shall be a center of commercial activity within a municipality, including town and city centers, other existing commercial districts in towns and cities and existing rural village districts.

SECTION 34. Section 4 of chapter 40G of the General Laws, as so appearing, is hereby amended by striking out, in line 85, the words “as defined in section 3D” and inserting in place thereof the following words:- designated pursuant to section 3G.

SECTION 35. Section 2 of chapter 40H of the General Laws, as so appearing, is hereby amended by striking out, in line 60, the words “3D of chapter 23A” and inserting in place thereof the following words:- section 3G of chapter 23A or meeting the criteria for such designation.

SECTION 36. Section 4G of chapter 40J of the General Laws, as so appearing, is hereby amended by striking out, in lines 19 and 24, the figure “$3”, and inserting in place thereof the following figure:- $1.

SECTION 37. Section 6D of said chapter 40J, as so appearing, is hereby amended by adding the following subsection:-

(g) The institute shall, in consultation with the secretary of housing and economic development and informal advisers from the public and private sectors, develop strategies and action plans to facilitate the continued development and accelerating growth of the e-health cluster in the commonwealth involving a range of products, services and systems at the intersection of medicine, healthcare and information technology including, but not limited to: (i) electronic health records; (ii) consumer wearable devices; (iii) care systems; (iv) payment management systems; (v) healthcare robotics; (vi) telemedicine; and (vii) big data analytics, for

the purpose of improving health care quality, reducing costs and supporting the expansion of economic opportunities for the citizens of the commonwealth. Without limiting the generality of the foregoing, the institute may: (i) develop a market access program connecting provider and payer needs with ideas and products through pilot programs; (ii) undertake a healthcare big data initiative designed to improve healthcare data transparency and availability; (iii) create opportunities for e-health cluster stakeholders, including investors, entrepreneurs and healthcare providers, to convene to exchange ideas and make connections; and (iv) encourage the adoption of open-source software principles, which may include recommendations toward the establishment of procurement rules that enable major technology systems, platforms and products purchased by the state to remain open for the development of third party end-user software and application designs that improve ease of access and utilization of those major technology systems. In furtherance of the purposes of this subsection, the institute shall coordinate and collaborate with such other agencies, authorities and public instrumentalities as the secretary of housing and economic development may suggest and shall endeavor to identify moneys and resources that could be made available for those purposes. The corporation may expend moneys credited to the e-Health Institute Fund established in section 6E for the purposes of this subsection, without compliance with any further restrictions contained in section 6E, and to expend for the purposes of this subsection any other moneys available to the corporation that are not expressly restricted by law.

SECTION 38. Chapter 40J of the General Laws is hereby amended by inserting after section 6I the following section:-

Section 6J. There shall be established and set up on the books of the corporation a Digital Health Internship Incentive Trust Fund which shall be administered by the executive director of the corporation. The corporation shall hold the fund in an account separate from other funds, including other funds established in this chapter. Amounts credited to the fund shall be available for expenditure by the corporation without further appropriation for any activities consistent with this section as the corporation deems appropriate; provided, however, that amounts credited to the fund shall be used to provide stipends for internships in digital health fields for undergraduate, graduate and postgraduate students and recent graduates at companies in the commonwealth, with preference given to those employed by small businesses and start-up companies. Amounts credited to the fund shall be expended or applied only with the approval of the executive director after consultation with the director of the John Adams Innovation Institute.

There shall be credited to the fund all money received from public or private sources including, but not limited to, gifts, grants, donations, bequests, contributions of cash or securities and contributions in kind from persons or other governmental, nongovernmental, quasi-governmental or local governmental entities. Any money remaining in the fund at the end of a fiscal year shall not revert to the General Fund and shall be available for expenditure in subsequent fiscal years. For the purposes of this section, “digital health” shall include, but not be limited to: e-Health, cyber security, IT security and integrated photonics. The corporation shall support efforts to secure matching funds.

SECTION 39. The General Laws are hereby amended by inserting after chapter 40O the following chapter:-

Chapter 40O½

Community Benefit Districts

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

"Community benefit district" or "CBD", a district formed pursuant to this chapter which has at least 1 geographic area with clearly defined boundaries.

"CBD corporation", the nonprofit corporation designated to receive funds and otherwise implement the CBD, including the board of directors, officers and any employees.

"CBD fee", a payment for services or improvements specified by the initial management plan and any management plan.

"Initial management plan", the strategic and operating plan for the CBD as approved by the municipal governing body as part of the creation of the CBD.

"Management plan", any subsequent, updated version of the initial management plan that is approved by the board of directors.

"Memorandum of understanding with the municipality" or "MOU", a document which describes the standard government services and supplemental services to be provided within the CBD and how the municipality will participate in the CBD as a property owner and member.

"Municipal governing body", the city council or board of aldermen in a city or the board of selectmen or town council in a town.

"Petition signer", a property owner, or their designee, within the CBD who affirmatively signs the petition to establish the CBD.

"Property", real property located within the CBD, whether commercial, tax-exempt or residential.

"Property owner", the owner of record of property; provided, that when a property is owned by an entity other than a natural person, a petition-signer for that property shall include the petition-signer's title and demonstrates authority to sign as owner and when a property is owned by multiple persons, the signature of 1 owner shall be sufficient if that owner demonstrates authority to sign on behalf of the other owners.

"Standard government services", governmental functions, programs, activities, facilities, improvements and other services that a municipality is authorized to perform or provide and that are paid for out of the municipal government budget.

"Supplemental services", the provision of programs, public rights of way services, activities, amenities or information in addition to the standard governmental services provided to the CBD.

Section 2. The rights and powers of a CBD corporation in a CBD approved by the municipal governing body pursuant to section 4 shall include: retaining or recruiting business; administering and managing central and neighborhood business districts; promoting economic development; managing parking; designing, engineering, constructing, maintaining or operating buildings, facilities, urban streetscapes or infrastructures to further economic development and public purposes; conducting historic preservation activities; leasing, owning, acquiring, or

optioning real property; owning and managing parks, public spaces and community facilities; supplementing maintenance, security, or sanitation; planning and designing services; formulating a fee structure; accumulating interest; incurring costs or indebtedness; entering into contracts; suing and being sued; employing legal and accounting services; undertaking planning, feasibility and market analyses; developing common marketing and promotional activities; engaging in placemaking, programming, and event management within the district; soliciting donations, sponsorships and grants; operating transit services; and supporting public art, human and environmental services related to the enhancement of the district or other supplemental services or programs that would further the purposes of this chapter.

Section 3. The organization of a CBD shall be initiated by a petition of the property owners within the proposed CBD, which shall be filed in the office of the clerk of the municipality and contain the following:

(1) the signatures of the property owners or petition signers in the proposed district who support the establishment of the district and who will pay more than 50 per cent of the assessments proposed to be levied; provided, however, that the amount of the assessment attributable to property owned by the same property owner that is in excess of 20 per cent of the amount of all assessments proposed shall not be included in the calculation;

(2) a description of and a site map delineating the boundaries of the proposed CBD;

(3) the identity and address of the CBD corporation, including its initial set of directors and officers and a copy of its by-laws;

(4) An initial management plan, which shall set forth the supplemental services and programs, vision, strategy, budget and fee structures proposed for the CBD;

(5) the criteria for waiving the fee for any property owner within the CBD who can provide evidence that the imposition of such a fee would create a significant financial hardship; and

(6) a staffing plan, which may include private nonprofit, for profit or public agency contractors or subcontractors.

A petition may include a mechanism for reimbursing the municipality for the costs incurred in establishing the CBD, and for costs incurred in collecting the district fees. A copy of the petition shall be filed with the undersecretary of housing and community development and the secretary of housing and economic development not more than 30 days following receipt of the petition by the clerk of the municipality.

Section 4. (a) The municipal governing body shall hold a public hearing not more than 60 days following receipt of the petition by the clerk of the municipality. Written notification of the hearing shall be sent to each property owner within the boundary of the proposed CBD not more than 30 days before a hearing by mailing notice to the address listed in the property tax records. Notification of the hearing shall be published for 2 consecutive weeks in a newspaper of general circulation in the area, the last publication being not less than 14 days before the hearing and listed on the municipality's website. The public notice shall contain the proposed boundaries of the CBD, the proposed fee level, a summary of supplemental programs and services and where the property owner may obtain a full copy of the initial management plan.

(b) Prior to the public hearing, the municipal governing body shall direct the town clerk, city clerk or a designee to determine that the establishment criteria have been met, as set forth in section 3. In determining whether a signature is authentic, the clerk shall apply the same standard used when certifying signatures for a petition to place a referendum on a local or state ballot.

(c) Not more than 45 days after the public hearing, a municipal governing body, in its sole discretion, may, by vote of the city council with approval of the mayor in a city and by vote of the board of selectmen and a town meeting in a town, declare the district organized and describe the boundaries and service area of the district. The declaration shall include authorization to municipal staff to enter into an agreement with the CBD corporation with respect to operations and funding consistent with the approved initial management plan. Upon such declaration, the CBD may commence operations.

(d) Notice of the declaration of the organization of the CBD shall be mailed or delivered to each property owner within the proposed CBD. The notice shall explain that membership in the CBD is irrevocable unless the CBD is dissolved pursuant to section 10 and shall include a description of the basis for determining the district fee, the projected fee level and the services to be provided within the CBD. Such notice shall be published for 2 consecutive weeks in a newspaper of general circulation in the area, the last publication being not more than 30 days after the vote to declare the district organized.

(e) Participation in the CBD shall be permanent unless the CBD is dissolved pursuant to section 10. All property owners, including public, private and nonprofit entities, shall participate, although each shall contribute in accordance with fee structures based upon the benefits anticipated to be received, as outlined in the initial management plan.

Section 5. (a) Each CBD corporation shall have a not for profit board of directors that shall oversee its operations to insure the implementation of the initial management plan and any management plan. At least 51 per cent of the board shall be composed of property owners or their designees, and the remaining members may be a balanced group of stakeholders representing the community, including residents, municipal government, business tenants and nonprofits.

(b) The initial management plan shall be updated at least once every 3 years by the CBD board of directors and a copy thereof shall be mailed, emailed or delivered to each CBD member and filed with the municipal governing body.

(c) The CBD corporation shall comply with the public charity reporting requirements of section 8F of chapter 12.

Section 6. All real property located within a proposed CBD shall be considered in the fee formula for supplemental services and programs as outlined in the initial management plan. The CBD corporation, at its sole discretion, may grant a financial hardship waiver to any property owner, pursuant to the waiver criteria established within the CBD. A waiver is not intended to be permanent and shall be requested and granted on an annual basis, and shall be based upon temporary, extraordinary circumstances. The CBD corporation may also, at its discretion, approve in-kind contributions or services in addition to, or in lieu of, fees upon execution of a memorandum of agreement with a property owner.

Section 7. Upon formal approval of a CBD, the municipal governing body shall adopt the district fee structure for the financing of items submitted in the initial management plan for the

CBD; provided, however, that the total fees assessed in any 1 year may not exceed 1/2 of 1 per cent of the sum of the assessed valuation of the real property owned by participating members in the CBD district.

The basis of a district fee may be determined by a formula utilizing at least 1 or a combination of the following methodologies:

(i) different levels for varying classifications of real property;

(ii) benefit zones;

(iii) assessed valuation;

(iv) building or parcel square footage;

(v) street frontage; or

(vi) any other formula which meets the objectives of the CBD.

The CBD, through its management plan, shall have the option to limit or cap the maximum annual fee derived from individual properties or the total annual revenue generated by the CBD.

The initial management plan may also propose a “phase-in” period of not more than 3 years, with assessments increasing over the stated period. The formula for determining the district fee structure shall be set forth in the original petition as required by section 3.

The CBD may change the formula or the assessment level set forth in the initial management plan or management plan by 2/3 vote of its board of directors, ratified by vote of the property owners who are required to pay more than 50 per cent of the assessments. Within 30 days after amendment of the formula or assessment level, the CBD shall file notice of the changes with the municipal governing body, the undersecretary of housing and community development and the secretary of housing and economic development.

In addition to receiving funds from the district fee, the CBD corporation may receive grants, donations, revenues generated from parking fees, CBD activities or gifts on behalf of the CBD.

Section 8. The collector or treasurer of the municipality may collect district fees in designated CBDs and disburse the funds to the CBD corporation. In addition to the items identified in section 3A of chapter 60, the collector or treasurer may include notices for district fees in the envelope or electronic message in which a property bill is sent.

District fees collected shall be used solely to fund items to further the goals identified and approved in the initial management plan for the CBD.

The collector or treasurer shall disburse fee revenues to the CBD corporation not later than 30 days after the collection of such fees, together with any interest earned on those fees.

Following establishment of the CBD, all fees billed by or on behalf of the CBD and unpaid after 30 days from the date of billing shall become a lien on the property, which shall have priority over all other liens except municipal liens and mortgages of record prior to the

recording of a notice of lien, if notice of the lien is duly recorded by the CBD corporation in the appropriate registry of deeds or land court registry district.

Section 9. At any time after the establishment of a CBD pursuant to this chapter, the district boundaries upon which the establishment was based may, upon the recommendation of the CBD corporation, be amended by the municipal governing body after compliance with the procedures set forth in this section.

The CBD corporation shall prepare a petition, consistent with the criteria described in section 3; provided, however, that if the petition concerns an amendment to expand the district, the petition shall be accompanied by signatures of the property owners who are required to pay more than 50 per cent of the assessments in the expanded area. If the petition concerns an amendment to reduce the size of the district, it shall be accompanied by signatures of the property owners who are required to pay more than 50 per cent of the assessments levied in the existing district. The municipal governing body shall hold a public hearing not more than 60 days after its receipt of a petition to amend the district boundaries. In the case of an expansion petition, written notification of the hearing shall be sent to each property owner within the proposed expansion area of the CBD not more than 30 days before the hearing, by mailing notice to the address listed in the property tax records. In the case of a reduction petition, the notice shall be sent to each property owner in the existing district. For either an expansion or reduction petition, notification of the hearing shall also be published for 2 consecutive weeks in a newspaper of general circulation in the area with the last publication being not more than 14 days before the hearing and shall be listed on the municipality's website. For an expansion petition, the public notice shall contain the proposed expanded boundaries of the CBD, the fee level, a

summary of supplemental programs and services, and where the property owner may obtain a full copy of the management plan. For a reduction petition, the public notice shall contain the proposed reduced boundaries of the CBD and any changes in the fee level, supplemental programs and services or other material aspects of the management plan that will occur as a result of the boundary change. Not more than 30 days after the hearing, and upon determination by the city or town clerk, or designee, that the petition has met the necessary criteria, the municipal governing body, in its sole discretion, may by a vote declare the district boundaries amended.

Upon the adoption of an amendment to the district boundaries which increases the size of the district, owners of property to be added to the district shall be notified of the new boundaries of the district in accordance with section 4.

Section 10. A CBD may be dissolved by petition to the municipal governing body and a subsequent decision by that governing body to authorize dissolution.

A petition to dissolve a CBD shall contain the signatures of the property owners who are required to pay more than 50 per cent of the assessments levied in the district; provided, however, that the amount of the assessment attributable to property owned by the same property owner that is in excess of 20 per cent of the amount of all assessments proposed shall not be included in the calculation.

The municipal governing body shall hold a public hearing not more than 30 days after its receipt of a petition on the issue of dissolution.

Following the public hearing, the municipal governing body may declare the CBD dissolved; provided, however, that no CBD shall be dissolved until it has satisfied or paid in full all of its outstanding indebtedness, obligations and liabilities; until funds are on deposit and available therefore; or until a repayment schedule has been formulated and municipally approved therefor. Upon dissolution, the CBD shall not incur any new or increased financial obligations.

Any liabilities, either current or future, incurred as a result of action to accomplish the purposes of the management plan shall not be an obligation of the municipality. Liabilities shall be paid for entirely from revenue gained from the project or facilities authorized, or from the fees on the properties in the CBD.

Upon the dissolution of a CBD, any remaining revenues derived from the sale of assets acquired with fees collected shall be refunded to the property owners in the CBD by applying the same formula used to calculate the fee in the fiscal year in which the CBD is dissolved.

Nothing in this section shall prevent the filing of a subsequent petition for a similar community benefit district.

Section 11. A CBD may include noncontiguous geographic areas within the municipality. If the petition proposes such a district, each noncontiguous area shall separately qualify by meeting the signature threshold in section 3. Once the clerk has determined that the establishment criteria have been met, the municipality shall consider whether the CBD as a whole should be approved. A petition to reduce or dissolve a CBD with noncontiguous areas shall be signed by property owners representing at least 50 per cent of the assessed value in the CBD as a whole. A petition to expand such a CBD shall be signed by property owners

representing 50 per cent of the assessed value in the expanded area only. A CBD that includes noncontiguous areas may set services, programs and fees to take into account the differing circumstances of each area.

Section 12. A CBD may be located in more than 1 municipality if the petition in each municipality separately complies with this chapter. Petitioners shall state in each petition whether they will proceed with establishment if the other municipality or municipalities involved do not approve the proposed CBD. A petition to reduce a CBD located in more than 1 municipality shall be signed by property owners with 50 per cent of the assessed valuation in that municipality's portion of the district. A petition to expand such a CBD shall be signed by property owners representing 50 per cent of the assessed value in the expanded area only. A petition to dissolve the entire CBD located in more than 1 municipality shall be signed by property owners representing 50 per cent of the assessed valuation in each municipality. A CBD located in more than 1 municipality may set services, programs and fees to take into account the differing circumstances of each area.

SECTION 40. Section 1 of chapter 40V of the General Laws, as appearing in the 2014 Official Edition, is hereby amended by striking out the definition of "Certified housing development project", and inserting in place thereof the following definition:-

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

SECTION 41. Said section 1 of said chapter 40V, as so appearing, is hereby further amended by striking out the definitions of “Market rate residential unit” and “Qualified substantial rehabilitation expenditure” and inserting in place thereof following 2 definitions:-

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

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

SECTION 42. Said section 1 of said chapter 40V, as so appearing, is hereby further amended by inserting after the word “property,”, in line 34, the following words:- including site assessment and remediation of hazardous materials, but.

SECTION 43. Section 4 of said chapter 40V, as so appearing, is hereby amended by striking out, in line 12, the words “is a” and inserting in place thereof the following words:- involves either new construction or the.

SECTION 44. Said section 4 of said chapter 40V, as so appearing, is hereby further amended by striking out, in line 13, the word “approve” and inserting in place thereof the following word:- certify.

SECTION 45. Said section 4 of said chapter 40V, as so appearing, is hereby further amended by striking out, in line 35, the words “HDIP zone” and inserting in place thereof the following words:- HD zone.

SECTION 46. Said section 4 of said chapter 40V, as so appearing, is hereby further amended by inserting after the word “certified”, in lines 44, 56, 57 and 83, in each instance, the following words:- housing development.

SECTION 47. The introductory paragraph of section 5 of said chapter 40V, as so appearing, is hereby amended by striking out the first sentence and inserting in place thereof the following sentence:- The department may award tax credits available under subsection (q) of section 6 of chapter 62 or section 38BB of chapter 63 of not more than 25 per cent of the cost of qualified project expenditures allocable to the market rate units in a project, as determined by the department, to a sponsor of a certified housing development project.

SECTION 48. Said section 5 of said chapter 40V, as so appearing, is hereby further amended by striking out, in lines 9, 13 and 15, the word “project” and inserting in place thereof, in each instance, the following words:- certified housing development project.

SECTION 49. Section 3 of chapter 62 of the General Laws is hereby amended by striking out, in lines 114 and 115, as so appearing, the words “established by section three B of chapter

twenty-three A” and inserting in place thereof the following words:- pursuant to section 3G of chapter 23A.

SECTION 50. Subparagraph (11) of paragraph (a) of part B of said section 3 of said chapter 62, as so appearing, is hereby amended by adding the following sentence:- An individual who is a nonresident for all or part of the taxable year shall not be eligible to claim this deduction.

SECTION 51. Paragraph (a) of part B of said section 3 of said chapter 62, as recently amended by section 12 of chapter 10 of the acts of 2015, is hereby further amended by adding the following subparagraph:-

(19) An amount equal to the amount expended in the taxable year for the purchase of an interest in, or the amount contributed in the taxable year to an account in, a prepaid tuition program or college savings program established by the commonwealth or an instrumentality or authority of the commonwealth; provided, however, that in the case of a single person or a married person filing a separate return or as head of household, the total amount deducted in the taxable year shall not exceed $1,000; and provided further, that in the case of a married couple filing a joint return, the total amount deducted in the taxable year shall not exceed $2,000.

Notwithstanding a statute of limitations on the assessment of an income tax under this chapter, a deduction taken under this subparagraph shall be subject to recapture in the taxable years in which a distribution or a refund is made for a reason other than: (i) to pay qualified higher education expenses as defined in 26 U.S.C. 529(e)(3); or (ii) the beneficiary's death, disability or receipt of a scholarship. For the purposes of this subparagraph, “purchaser” or

“contributor” shall mean the person shown as the purchaser or contributor on the records of the qualifying prepaid tuition or college savings program as of December 31 of the taxable year. In the case of a transfer of ownership of a prepaid tuition contract or savings trust account, the transferee shall succeed to the transferor's tax attributes associated with the prepaid tuition contract or savings trust account including, but not limited to, carryover and recapture of a deduction.

Annually, not later than October 15, the commissioner shall submit a report to the secretary of administration and finance, the chairs of the senate and house committees on ways and means and the senate and house chairs of the joint committee on revenue that provides the following information: (i) the number of prepaid tuition contracts or savings trust accounts entered into or opened by residents of the commonwealth during the prior year; (ii) the amount of the allowable deductions claimed under this subparagraph during the prior year; and (iii) the adjusted gross income of each taxpayer qualifying for the deduction allowed under this subparagraph.

SECTION 52. Section 6 of said chapter 62 is hereby amended by striking out subsection (g), as appearing in the 2014 Official Edition, and inserting in place thereof the following subsection:-

(g) (1) As used in this subsection, “certified project”, “controlling business”, “EACC”, “EDIP contract” and “proposed project” shall have the same meanings as ascribed to them in section 3A of chapter 23A.

(2) A credit shall be allowed against the tax liability imposed by this chapter on the owner or lessee of a certified project, to the extent the credit is authorized by the EACC, up to an amount equal to 50 per cent of the liability in a taxable year; provided, however, that the 50 per cent limitation shall not apply where the credit is refundable under paragraph (6). The amount of the credit shall be determined by the EACC under section 3D of chapter 23A and other criteria or guidance that the council shall from time to time adopt; provided further, that a credit awarded in connection with a certified project that will retain permanent full-time employees in a gateway municipality without creating a net increase in permanent full-time employees shall not exceed $5,000 per retained employee. A credit allowed under this section shall be taken only after the taxpayer executes an EDIP contract under said section 3D of said chapter 23A.

(3) The total amount of credits that may be authorized by the EACC in a calendar year pursuant to this section and section 38N of chapter 63 shall not exceed $30,000,000 annually; provided, however, that the total amount shall not include credits granted pursuant to subsection (q) of section of 6 of this chapter and section 38BB of said chapter 63; and provided further, that the total amount shall include: (i) refundable credits granted during the year pursuant to this section or said section 38N of said chapter 63; (ii) nonrefundable credits granted during the year pursuant to this section or said section 38N of said chapter 63 to the extent that such nonrefundable credits are estimated by the commissioner to offset tax liabilities during the year; and (iii) carryforwards of credits from prior years under this section or said section 38N of said chapter 63 to the extent that the credit carryforwards, if any, are estimated by the commissioner to offset tax liabilities during the year. A portion of the annual cap not awarded by the EACC in a calendar year shall not be applied to an award in a subsequent year. The EACC shall provide

the commissioner with the documentation that the commissioner deems necessary to confirm compliance with the annual cap and the commissioner shall provide a report confirming compliance to the secretary of administration and finance and the secretary of housing and economic development.

(4) A taxpayer entitled to a credit under this subsection for a taxable year may, to the extent authorized by the EACC, carry over and apply to the tax liability imposed by this chapter for any of the next succeeding 10 taxable years the portion, as reduced from year to year, of those credits that exceed the tax liability imposed by this chapter for the taxable year; provided, however, that the taxpayer shall not apply the credit to the tax liability imposed by this chapter for a taxable year beginning more than 5 years after the certified project ceases to qualify as a certified project under chapter 23A; and provided further, that notwithstanding the foregoing, the EACC may limit or restrict the carryover of credits under section 3D of said chapter 23A.

(5) For the purposes of this subsection, the commissioner may aggregate the activities of entities, whether or not incorporated, under common control as established in 26 U.S.C. 41(f).

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

(7) If a credit allowed under paragraph (2) is designated by the EACC as a refundable credit, the credit shall first be applied against the tax liability of the taxpayer imposed

by this chapter and 100 per cent of the balance of the credit may, at the option of the taxpayer and to the extent authorized by the EACC, be refundable to the taxpayer. In each case, the EACC shall specify the timing of the refund which may be for the taxable year in which all or a portion of the certified project is placed in service or the taxable year subsequent to the year in which the required jobs are created. If the credit balance is refunded to the taxpayer, the credit carryover provisions of paragraph (4) shall not apply.

(8) If the EACC revokes the certification of a project under section 3F of chapter 23A, a portion of the tax credit otherwise allowed by this section and claimed by the taxpayer prior to the date on which EACC makes the determination to revoke its certification of the project shall be added back as additional tax due and shall be reported as such on the return of the taxpayer for the taxable period in which the EACC makes the determination to revoke the certification of the project. The amount of credits subject to recapture shall be proportionate to the taxpayer's compliance with the job creation requirements applicable to the certified project. The taxpayer's proportion of compliance shall be determined by the EACC as part of its revocation process and shall be reported to the taxpayer and the department of revenue at the time that certification is revoked.

(9) If a certified project is sold or otherwise disposed of, a tax credit allowed under this subsection may be transferred to the purchaser of the certified project; provided, however, that the EDIP contract shall be assigned to and assumed by the purchaser of the certified project and the assignment and assumption shall be approved in writing by the EACC.

(10) Nothing in this subsection shall limit the authority of the commissioner to make an adjustment to a taxpayer's liability upon audit.

SECTION 53. Section 6 of said chapter 62 is hereby amended by striking out subsection (h), as most recently amended by section 1 of chapter 52 of the acts of 2015, and inserting in place thereof the following subsection:-

(h) A taxpayer shall be allowed a credit against the taxes imposed by this chapter if the taxpayer qualified for and claimed the earned income credit allowed under section 32 of the Code, as amended and in effect for that tax year. With respect to a person who is a nonresident for part of the taxable year, the credit shall be limited to 28 per cent of the federal credit multiplied by a fraction, the numerator of which shall be the number of days in the tax year the person resided in the commonwealth and the denominator of which shall be the number of days in the taxable year. Persons who are nonresidents for the entire taxable year shall not be allowed the credit. The credit allowed by this subsection shall equal 28 per cent of the federal credit received by the taxpayer for the taxable year. If other credits allowed under this section are utilized by the taxpayer for the taxable year, the credit afforded by this subsection shall be applied last. If the amount of the credit allowed under this subsection exceeds the taxpayer's liability, the commissioner shall treat such excess as an overpayment and shall pay the taxpayer the amount of such excess, without interest.

SECTION 54. Said section 6 of said chapter 62 is hereby further amended by striking out, in line 893, as so appearing, the word “ten” and inserting in place thereof the following figure:- 25.

SECTION 55. Said section 6 of said chapter 62 is hereby further amended by striking out, in line 894, as so appearing, the words “substantial rehabilitation” and inserting in place thereof the following word:- project.

SECTION 56. Said section 6 of said chapter 62 is hereby further amended by striking out, in line 905, and in lines 939 and 940, as so appearing, the word “rehabilitation” and inserting in place thereof, in each instance, the following word:- project.

SECTION 57. Said section 6 of said chapter 62 is hereby further amended by striking out, in lines 923 and 935, as so appearing, the figure “5” and inserting in place thereof, in each instance, the figure:- 10.

SECTION 58. Section 6M of said chapter 62, as appearing in section 29 of chapter 238 of the acts of 2012, is hereby amended by striking out, in line 89, the words “as defined in section 3A” and inserting in place thereof the following words:- designated under section 3G.

SECTION 59. Chapter 63 of the General Laws is hereby amended by striking out section 38N, as appearing in the 2014 Official Edition, and inserting in place thereof the following section:-

Section 38N. (a)(l) As used in this section, “Certified project”, “EACC”, “EDIP contract” and “Gateway municipality” shall have the same meanings as ascribed to them in section 3A of chapter 23A.

(b) A corporation subject to tax under this chapter that is the controlling business of a certified project, or an affiliate of a controlling business, may take a credit against the excise imposed by this chapter to the extent that the credit is authorized by the EACC, up to an amount equal to 50 per cent of the liability in a taxable year; provided, however, that the 50 per cent limitation shall not apply where the credit is refundable under subsection (d). The amount of the credit shall be determined by EACC under section 3D of said chapter 23A and other criteria or

guidelines that the council shall from time to time adopt; provided, however, that a credit awarded in connection with a certified project that will retain permanent full-time employees in a gateway municipality without creating a net increase in permanent full-time employees shall not exceed $5,000 per retained employee. A credit allowed under this section shall be taken only after the corporation executes an EDIP contract under said section 3D of said chapter 23A.

(c) The total amount of credits that may be authorized by the EACC in a calendar year pursuant to this section and subsection (g) of section 6 of chapter 62 shall not exceed $30,000,000 annually; provided, however, that the total amount shall not include credits under section 38BB of this chapter or subsection (q) of said section 6 of said chapter 62; and provided further, that the total amount shall include: (i) refundable credits granted during the year under this section or said subsection (g) or said section (6) of said chapter 62; (ii) nonrefundable credits granted during the year under this section or said subsection (g) or said section (6) of said chapter 62 to the extent that such nonrefundable credits are estimated by the commissioner of revenue to offset tax liabilities during the year; and (iii) carryforwards of credits from prior years under this section or said subsection (g) of said section 6 of said chapter 62 to the extent that such credit carryforwards, if any, are estimated by the commissioner of revenue to offset tax liabilities during the year. A portion of the annual cap not awarded by the EACC in a calendar year shall not be applied to awards in a subsequent year.

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

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

(d) A corporation entitled to a credit under this section for a taxable year may, to the extent authorized by the EACC, carry over and apply to the tax liability imposed by this chapter for any of the next succeeding 10 taxable years the portion, as reduced from year to year, of those credits that exceed the tax liability imposed by this chapter for the taxable year; provided, however, that the corporation shall not apply the credit to the tax liability imposed by this chapter for a taxable year beginning more than 5 years after the certified project ceases to qualify as a certified project under chapter 23A; and provided further, that notwithstanding the foregoing, the economic assistance coordinating council may limit or restrict carryover of credits under section 3D of said chapter 23A.

(e) If a credit allowed under subsection (b) is designated by the EACC as a refundable credit, the credit shall first be applied against the tax liability of the corporation under this chapter and 100 per cent of the balance of the credit may, at the option of the corporation and to the extent authorized by the EACC, be refundable to the corporation. In each case, the EACC shall specify the timing of the refund which may be for the taxable year in which all or a portion of the certified project is placed in service or the taxable year subsequent to the year in which the required jobs are created. If the credit balance is refunded to the corporation, the credit carryover provisions of subsection (d) shall not apply.

(f) If a corporation is subject to a minimum excise under this chapter, the amount of the credit allowed by this section shall not reduce the excise to an amount less than the minimum excise.

(g) If corporations file a combined return of income under section 32B, a credit generated by an individual member corporation under this section shall first be applied against the separately determined excise attributable to that member except as otherwise provided in this section. A member corporation with an excess credit may apply its excess credit against the excise of another group member to the extent that the other member corporation can use additional credits. An unused, unexpired credit generated by a member corporation shall be carried over from year to year by the individual corporation that generated the credit to the extent authorized by the EACC.

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

(i) If the EACC revokes the certification of a project under section 3F of chapter 23A, a portion of the tax credit otherwise allowed by this section and claimed by the corporation prior to the date on which the EACC makes the determination to revoke its certification of the project shall be added back as additional tax due and shall be reported as such on the return of the corporation for the taxable period in which the EACC makes the determination to revoke the certification of the project. The amount of credits subject to recapture shall be proportionate to the corporation’s compliance with the job creation requirements applicable to the certified project. The corporation’s proportion of compliance shall be determined by the EACC as part of its revocation process and shall be reported to the corporation and the department of revenue at the time certification is revoked.

(j) If a certified project is sold or otherwise disposed of, a tax credit allowed under this section may be transferred to the purchaser of the certified project; provided, however, that the EDIP contract shall be assigned to and assumed by the purchaser of the certified project and the assignment and assumption shall be approved in writing by the EACC.

(k) Nothing in this section shall limit the authority of the commissioner of revenue to make an adjustment to a corporation's liability upon audit.

SECTION 60. Section 38O of said chapter 63, as so appearing, is hereby amended by striking out, in lines 4 and 5, the words “as defined by section 3A,” and inserting in place thereof the following words:- designated under section 3G.

SECTION 61. Section 38R of said chapter 63, as so appearing, is hereby amended by inserting after the word “criteria”, in line 45, the following words:- ; provided, however, that the Massachusetts historical commission shall ensure the award of tax credits pursuant to this section to allow a taxpayer that acquires a qualified historic structure to receive a tax credit for qualified rehabilitation expenditures previously awarded to the transferor of the qualified historic structure if: (A) the rehabilitation was not placed in service by the transferor; (B) a credit has not been claimed by anyone other than the acquiring taxpayer as verified by the department of revenue to the commission; (C) the taxpayer completes the rehabilitation and obtains certification under this section; and (D) the taxpayer conforms with the other requirements of this section; and provided further, that in the case of a multi-phase project, a tax credit may be transferred for any phase that meets the criteria in subclauses (A) to (D), inclusive.

SECTION 62. Section 38BB of said chapter 63, as so appearing, is hereby amended by striking out, in line 5, the figure “10” and inserting in place thereof the following figure:- 25.

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

SECTION 64. Said section 38BB of said chapter 63, as so appearing, is hereby further amended by striking out, in line 17, and in lines 38 and 39, the word “rehabilitation” and inserting in place thereof, in each instance, the following word:- project.

SECTION 65. Said section 38BB of said chapter 63, as so appearing, is hereby further amended by striking out, in lines 23 and 34, the figure “5” and inserting in place thereof, in each instance, the following figure:- 10.

SECTION 66. Section 38EE of said chapter 63, as so appearing, is hereby amended by striking out, in line 76, the words “as defined in section 3A” and inserting in place thereof the following words:- designated under section 3G.

SECTION 67. Chapter 64G of the General Laws is hereby amended by striking out sections 1 to 12, inclusive, as so appearing, and inserting in place thereof the following 12 sections:-

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

“Bed and breakfast establishment”, a house where 1 or more rooms are let and a breakfast is included in the rent.

“Commissioner”, the commissioner of revenue.

“Hosting platform”, a person who provides a service through any website, software, online-enabled application, mobile phone application or some other similar process which provides a means for: (i) an operator to advertise, list or offer the use of any accommodation subject to the excise under this chapter in exchange for rent; (ii) an operator to collect the payment of rent on any accommodation; and (iii) a person to arrange, book, reserve or rent a transient accommodation.

“Hotel”, a building used for the feeding and lodging of guests licensed or required to be licensed under section 6 of chapter 140.

“Lodging house”, a house where lodgings are let to 4 or more persons not within the second degree of kindred to the person conducting it, licensed or required to be licensed under section 23 of chapter 140.

“Motel”, a building or portion of a building, other than a hotel or lodging house, in which persons are lodged for hire with or without meals and which is licensed or required to be licensed under section 32B of chapter 140 or is a private club.

“Occupancy”, the use or possession or the right to the use or possession of any room in a bed and breakfast establishment, hotel, lodging house, transient accommodation or motel designed and normally used for sleeping and living purposes or the right to the use or possession

of the furnishings or the services and accommodations, including breakfast in a bed and breakfast establishment, accompanying the use and possession of such room for a period of not more than 31 consecutive calendar days, regardless of whether such use and possession is as a lessee, tenant, guest or licensee.

"Occupant", a person who, for rent, uses, possesses or has a right to use or possess a room in a bed and breakfast establishment, hotel, lodging house, transient accommodation or motel under a lease, concession, permit, right of access, license or agreement.

"Operator", a person operating a bed and breakfast establishment, hotel, lodging house, transient accommodation or motel including, but not limited to, the owner or proprietor of such premises, the lessee, sublessee, mortgagee in possession, licensee or any other person otherwise operating such bed and breakfast establishment, hotel, lodging house, transient accommodation or motel.

"Operator's agent", a person, including, but not limited to, a property manager, property management company or real estate agent who is not a hosting platform and on behalf of an operator of a bed and breakfast establishment, lodging house or transient accommodation: (i) manages the operation or upkeep of a property offered for rent; or (ii) books reservations at a property offered for rent.

"Person", includes an individual, partnership, trust or association, with or without transferable shares, joint-stock company, corporation, society, club, organization, institution, estate, receiver, trustee, assignee or referee and any other person acting in a fiduciary or

representative capacity, whether appointed by a court or otherwise or any combination of individuals acting as a unit.

"Rent", the consideration received for occupancy valued in money, whether received in money or otherwise, including all receipts, cash, credits and property or services of any kind or nature and also any amount for which credit is allowed by the operator to the occupant without any deduction from the consideration.

"Transient accommodation" a vacation, leisure or short-term rental accommodation offering occupancy in exchange for rent including, but not limited to an apartment, single or multiple family housing, cottage, condominium, time-share unit or any furnished residential accommodation within any area zoned for residential or commercial use that is not a hotel, motel, lodging house or bed and breakfast establishment.

Section 2. This chapter shall not be construed to include: (i) lodging accommodations at federal, state or municipal institutions, except as provided for in clause (ii); (ii) lodging accommodations, including dormitories, at religious, charitable, philanthropic and public and private educational institutions; provided, however, that this exemption shall not apply to accommodations provided in a manner ancillary to the achievement of the religious, charitable, philanthropic or educational purposes of such institutions; and provided further, that lodging accommodations provided by a public or private college or university that are not student dormitories or faculty housing and that are available to the general public shall be considered ancillary to the educational purpose of such educational institutions; (iii) privately owned and operated convalescent homes for the aged, infirm, indigent or chronically ill; (iv) religious or charitable homes for the aged, infirm, indigent or chronically ill; (v) summer camps for children

not more than18 years of age or individuals with developmental disabilities; provided, however, that such summer camp which offers its facilities off-season to individuals not less than 60 years of age for a period not to exceed 31 days in any calendar year shall not lose its exemption under this section; (vi) lodging accommodations provided to seasonal employees by employers; and (vii) tenancies at will or month to month leases.

For the purposes of this section, an individual with a developmental disability shall mean an individual who has a severe chronic disability which: (A) is attributable to a mental or physical impairment or combination of mental and physical impairments; (B) is likely to continue indefinitely; (C) results in substantial functional limitations in 3 or more of the following areas of major life activity: (1) self-care; (2) receptive and expressive language; (3) learning; (4) mobility; (5) self-direction; (6) capacity for independent living; and (7) economic self-sufficiency; and (D) reflects the individual's need for a combination and sequence of special, interdisciplinary or generic care, treatment or other services which are of lifelong or extended duration and are individually planned and coordinated.

Section 3. An excise shall be imposed upon the transfer of occupancy of a room in a bed and breakfast establishment, hotel, lodging house, transient accommodation or motel by an operator at the rate of 5 per cent of the total amount of rent for each such occupancy. An excise shall not be imposed if the total amount of rent is less than $15 per day or its equivalent.

The operator shall pay the excise to the commissioner at the time provided for filing the return required by section 16 of chapter 62C.

Section 4. A city or town which accepts this section may impose a local excise tax upon the transfer of occupancy of any room in a bed and breakfast establishment, hotel, lodging house, transient accommodation or motel located within that city or town by an operator at a rate of not more than 6 per cent of the total amount of rent for each such occupancy; provided, however, that the city of Boston is hereby authorized to impose such local excise upon the transfer of occupancy of a room in a bed and breakfast establishment, hotel, lodging house, transient accommodation or motel located within the city of Boston by an operator at the rate of not more than 6.5 per cent of the total amount of rent of each such occupancy. No excise shall be imposed if the total amount of rent is less than $15 per day or its equivalent or if the accommodation is exempt under section 2. The operator shall pay the local excise tax imposed under this section to the commissioner at the same time and in the same manner as the excise tax due to the commonwealth. All sums received by the commissioner under this section as excise, penalties or forfeitures, interest, costs of suit and fines shall at least quarterly be distributed, credited and paid by the state treasurer upon certification of the commissioner to each city or town that has adopted this section in proportion to the amount of such sums received from the transfer of occupancy in each such city or town. This section shall only take effect in a city or town accepting this section by a majority vote of the: city council with the approval of the mayor, in the case of a city with a Plan A, Plan B or Plan F charter; city council, in the case of a city with a Plan C, Plan D or Plan E charter; annual town meeting or a special meeting called for that purpose in the case of a municipality with a town meeting form of government; or town council, in the case of a municipality with a town council form of government. This section shall take effect on the first day of the calendar quarter following 30 days after such acceptance or on the first day of such later calendar quarter as the city or town may designate. The city or town, in accepting this

section, may not revoke or otherwise amend the applicable local tax rate more often than once in a 12-month period.

The commissioner shall make available to a city or town requesting such information, the total amount of room occupancy tax collected in the preceding fiscal year in the city or town requesting the information.

Section 5. Reimbursement for the excise under this chapter shall be paid by the occupant of such a room to the operator and each operator shall add to the rent and shall collect from the occupant the full amount of the excise imposed by this chapter or an amount equal as nearly as possible or practical to the average equivalent thereof. Such excise shall be a debt from the occupant to the operator, when so added to the rent, and shall be recoverable at law in the same manner as other debts.

Section 6. The commissioner may enter into a voluntary collection agreement with a hosting platform or an operator's agent required to remit the excise under section 17, who is willing to assume liability for the collection and remittance of the excise imposed under this chapter on behalf of the operators that hosting platform or operator's agent represents. The hosting platform or operator's agent shall not be liable for any faults in collecting or remitting the excise caused by the hosting platform's or operator's agent's reasonable reliance on representations made to it by the operator about the nature of the property being rented, the duration of the occupancy or other similar misrepresentations made by the operator to the hosting platform or operator's agent. The operator shall be liable for any unpaid excise resulting from any such misrepresentations. A hosting platform or operator's agent shall not be liable for any over collection of the excise if the excise collected was remitted to the commissioner and if the

over collection resulted from the hosting platform's or operator's agent's reasonable reliance on the operator's representations about the nature of the property being rented, about the nature of the occupancy or whether such property was exempt from the excise. The operator shall be liable for any monetary damages to the occupant resulting from any such misrepresentations.

Section 10. The amount of the excise collected by the operator from the occupant under this chapter shall be stated and charged separately from the rent and shown separately on any record thereof at the time the transfer of occupancy is made or on any evidence of such transfer issued or used by the operator.

Section 12. A person shall not operate a bed and breakfast establishment, hotel, lodging house, transient accommodation or motel unless a certificate of registration has been issued to the person in accordance with section 67 of chapter 62C.

Section 13. An operator who has paid the commissioner an excise under section 3 upon an account later determined to be worthless shall be entitled to an abatement of the excise paid on the worthless account. The claim for abatement shall annually be filed not later than April 15, covering the amount of the excise on the accounts determined to be worthless in the prior calendar year.

An operator who shall recover an excise on an account previously determined to be worthless, for which an application for abatement has been filed, shall report and include the same in a monthly return at the time of recovery.

Section 14. Every operator who fails to pay to the commissioner the sums required to be paid by this chapter shall be personally and individually liable. The term "operator", as used in

this section, includes an officer or employee of a corporation or a member or employee of a partnership or a limited liability company who as such officer, employee or member is under a duty to pay over the taxes imposed by this chapter.

An operator who misrepresents to a hosting platform or operator's agent required to remit the excise under section 17, that the operator's property is exempt from the excise imposed under section 3 shall be liable for any unpaid excise under this section and shall have committed an unfair trade practice under chapter 93A in making such a misrepresentation to the hosting platform or operator's agent.

Section 15. No excise shall be imposed, pursuant to this chapter, upon the transfer of occupancy of a room in a hotel, lodging house, transient accommodation or motel if the occupant is an employee of the United States military traveling on official United States military orders which encompass the date of that occupancy. Each operator shall maintain records as the commissioner shall require to substantiate exemptions claimed under this section.

Section 17. The operator may elect to allow a hosting platform or any operator's agent to collect rent or facilitate the collection or payment of rent on their behalf through a written agreement on an accommodation subject to the excise under this chapter. A hosting platform or operator's agent that enters into a written agreement with the operator to collect rent or facilitate the collection or payment of rent on behalf of the operator on an accommodation subject to the excise under this chapter shall: (i) apply for and obtain a certificate of registration from the commissioner in accordance with section 67 of chapter 62C on behalf of the operator; and (ii) assess, collect, report and remit the excise to the commissioner as described for operators in sections 3, 5, 7, 8 and 9. The certificate of registration obtained from the commissioner under

this subsection shall identify and be in the name of the individual operator, not the hosting platform or operator's agent.

A hosting platform or an operator's agent collecting and remitting the excise on behalf of the operator shall provide notification within a reasonable time to the operator that the excise has been collected and remitted to the commissioner under section 3. The notification may be delivered in-hand or by mail or conveyed by electronic message, mobile or smart phone application or some other similar electronic process, digital media or communication portal. An operator shall not be responsible for collecting and remitting the excise on any transaction for which it has received notification from a hosting platform or operator's agent that the excise has been collected and remitted to the commissioner on their behalf.

The commissioner may promulgate rules and regulations for the assessing, reporting, collecting, remitting and enforcement of the room occupancy excise under this section.

SECTION 68. Section 32G of chapter 90 of the General Laws is hereby amended by inserting after the word "person,", in line 1, as so appearing, the following words:- no authority established under chapter 161B.

SECTION 69. Said section 32G of said chapter 90 is hereby further amended by inserting after the word "No", in line 171, as so appearing, the following words:- authority established under chapter 161B and no.

SECTION 70. Section 12 of chapter 138 of the General Laws, as so appearing, is hereby amended by striking out the second paragraph.

SECTION 71. Section 15 of said chapter 138, as so appearing, is hereby amended by striking out, in lines 97 and 149, the words “or connected therewith” and inserting in place thereof, in each instance, the following words:- ; provided, however, that a common victualler duly licensed to operate a restaurant under chapter 140 and holding a license under section 12 may be connected to premises licensed under this section if at least 50 per cent of the revenue generated at the premises licensed under this section is derived from the sale of grocery items as defined in section 184B of chapter 94; and provided further, that the connection between and the design of the 2 locations so licensed, including interior connections, which shall be allowed, shall clearly delineate the 2 premises in such a way as to: (i) make the boundaries of each licensed premises clearly separate and identifiable to customers, alcohol distributors and regulatory authorities; (ii) enable the respective licensees to maintain control of the licensed area, egress and the sale, storage and service of alcoholic beverages; and (iii) otherwise conform with this chapter.

SECTION 72. Said section 15 of said chapter 138, as so appearing, is hereby further amended by striking out, in line 149, the words “or connected therewith” and inserting in place thereof the following words:- ; provided, however, that a common victualler duly licensed to operate a restaurant under chapter 140 and holding a license under section 12 may be connected to premises licensed under this section if at least 50 per cent of the revenue generated at the premises licensed under this section is derived from the sale of grocery items as defined in section 184B of chapter 94; and provided further, that the connection between and design of the 2 locations so licensed, including interior connections, which shall be allowed, shall clearly delineate the 2 premises in such a way as to: (i) make the boundaries of each licensed premises clearly separate and identifiable to customers, alcohol distributors and regulatory authorities: (ii)

enable the respective licensees to maintain control of the licensed area, egress and the sale, storage and service of alcoholic beverages; and (iii) otherwise conform with this chapter.

SECTION 73. Chapter 138 of the General Laws is hereby amended by striking out section 15F, as so appearing, and inserting in place thereof the following section:-

Section 15F. Notwithstanding any other provision of this chapter, in any city or town wherein the granting of licenses to sell wines and malt beverages is authorized under this chapter, the local licensing authority may issue to an applicant authorized to operate a farmer-winery under section 19B a special license for the sale of wine produced by or for the licensee or to an applicant authorized to operate a farmer-brewery under section 19C a special license for the sale of malt beverages produced by or for the licensee, notwithstanding any other provision of this chapter, in any city or town wherein the granting of licenses to sell all alcoholic beverages is authorized under this chapter, the local licensing authority may issue to an applicant authorized to operate a farmer-distillery under section 19E a special license for the sale of distilled spirits produced by or for the licensee, in sealed containers, for off-premises consumption at an indoor or outdoor agricultural event.

All sales of alcoholic beverages under this section shall be conducted by the licensee or by an agent, representative or solicitor of the licensee to customers who are at least 21 years of age. A licensee under this section may provide, without charge, samples of its alcoholic beverages to prospective customers at an indoor or outdoor agricultural event. All samples shall be served by the licensee or by an agent, representative or solicitor of the licensee to individuals who are at least 21 years of age and all samples shall be consumed in the presence of such licensee or in the presence of an agent, representative or solicitor of the licensee; provided,

however, that no sample of wine shall exceed 1 ounce, no sample of malt beverages shall exceed 2 ounces and no sample of distilled spirits shall exceed 1/4 ounce; and provided further, that not more than 5 samples shall be served to an individual prospective customer. For the purposes of this section, “agricultural event” shall be limited to those events certified by the department of agricultural resources as set forth in this section.

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

Upon review of the plan, the department may certify that the event is an agricultural event; provided, however, that in making that determination, the department shall consider: (i) operation as a farmers' market or agricultural fair approved or inspected by the department; (ii) frequency and regularity of the event, including dates, times and locations; (iii) number of vendors; (iv) terms of vendor agreements; (v) presence of an on-site manager; (vi) training of the on-site manager; (vii) operational guidelines or rules which shall include vendor eligibility and produce source; (viii) focus of the event on local agricultural products grown or produced within the market area; (ix) types of shows or exhibits, including those described in subsection (f) of section 2 of chapter 128; and (x) sponsorship or operation by an agricultural or horticultural society organized under the laws of the commonwealth or by a local grange organization or

association which has a primary purpose of promoting agriculture and its allied industries. The department of agricultural resources may promulgate rules and regulations necessary for the operation, oversight, approval and inspection of agricultural events under this section.

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

The commission may promulgate rules and regulations as it deems appropriate to effectuate this section.

A special license under this section may be granted by the local licensing authorities for a portion of premises that are licensed under section 12; provided, however, that: (i) the holder of the special license shall document the legal basis for use of the section 12 licensed premises; (ii) the area in which the special license is to be approved shall be physically delineated from the

area remaining under the control of the section 12 license holder; (iii) the holder of the special license shall be solely liable for all activities that arise out of the special license; and (iv) the holder of the special license shall not pay any consideration, directly or indirectly, to the section 12 licensee for the access to or use of the section 12 licensee's premises.

SECTION 74. The introductory paragraph of section 17 of said chapter 138 is hereby amended by striking out the eleventh paragraph, as so appearing.

SECTION 75. Said section 17 of said chapter 138 is hereby further amended by striking out, in line 316, as so appearing, the words “sections 12, 15” and inserting in place thereof the following figure:- section 15.

SECTION 76. Said section 17 of said chapter 138 is hereby further amended by striking out, in line 319, as so appearing, the figure “12,”.

SECTION 77. Section 19B of said chapter 138, as so appearing, is hereby amended by striking out, in lines 108 and 109, the words “section twelve of this chapter” and inserting in place thereof the following words:- this section.

SECTION 78. Said section 19B of said chapter 138, as so appearing, is hereby further amended by striking out subsection (n) and inserting in place thereof the following subsection:-

(n) Notwithstanding section 17, a local licensing authority, subject to the approval of the commission, may grant a license to sell wine for consumption on the premises of a location that it deems reasonable and proper, and approves in writing, on the grounds of a farmer–winery licensed under this section and on the grounds of the vineyards operated as appurtenant and

contiguous to, and in conjunction with, the farmer-winery; provided, however, that a licensee may sell, for on-premises consumption only, wines produced by the winery or produced for the winery and sold under the winery brand name. Section 15A shall apply to the granting of a license under this subsection.

SECTION 78A. Section 19C of said chapter 138, as so appearing, is hereby amended by striking subsection (n) and inserting in place thereof the following subsection:-

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

SECTION 79. Section 19E of said chapter 138, as so appearing, is hereby amended by striking out subsection (o) and inserting in place thereof the following subsection:-

(o) Notwithstanding section 17, a local licensing authority, subject to the approval of the commission, may grant a license to sell distilled spirits for consumption on the premises on the grounds of a farmer–distillery licensed under this section and on the grounds of the farm operated as appurtenant and contiguous to, and in conjunction with, such farmer-distillery at any such location it deems reasonable and proper and approves in writing; provided, however, that

such licensees may sell for on-premises consumption only distilled spirits produced by the distillery or produced for the distillery and sold under the distillery brand name. All the procedures under section 15A of this chapter shall apply to the granting of a license under this subsection.

SECTION 80. Said chapter 138 is hereby amended by inserting after section 19F the following section:-

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

SECTION 81. Section 33 of said chapter 138, as appearing in the 2014 Official Edition, is hereby amended by striking out, in lines 14 and 15 and lines 17 to 19, inclusive, the words "or on the day following when Christmas occurs on a Sunday, or on the last Monday in May,".

SECTION 82. Said section 33 of said chapter 138, as so appearing, is hereby further amendment by striking out, in line 23, the words "on the last Monday in May,".

SECTION 83. Said section 33 of said chapter 138, as so appearing, is hereby further amended by striking out, in lines 24 and 25, the words "or on the day following when Christmas occurs on a Sunday".

SECTION 84. Said section 33 of said chapter 138, as so appearing, is hereby further amendment by striking out, in line 26, the words “or on the last Monday in May”.

SECTION 85. Said section 33 of said chapter 138, as so appearing, is hereby further amended by striking out, in lines 27 and 28, the words “or on the day following when Christmas occurs on a Sunday”.

SECTION 86. Section 44A½ of chapter 149 of the General Laws, as appearing in the 2014 Official addition, is hereby amended by adding the following subsection:-

(d) Minority business enterprise and women business enterprise contracting goals and workforce participation goals on the totality of state-funded design and construction contracts shall be reflective of the diverse racial, ethnic and gender makeup of the commonwealth’s population.

SECTION 87. Section 30 of chapter 151A of the General Laws, as appearing in the 2014 Official Edition, is hereby amended by striking out, in line 43, the word “fifteenth” and inserting in place thereof the following word:- twentieth.

SECTION 88. Said section 30 of said chapter 151A, as so appearing, is hereby further amended by striking out, in line 45, the words “15 week application period shall be tolled” and inserting in place thereof the following figure:- 20-week application period shall be tolled and the circumstances under which the application may be waived for good cause.

SECTION 89. Said section 30 of said chapter 151A, as so appearing, is hereby further amended by inserting after the word “denied”, in line 55, the following words:- ; provided

further, that the claimant shall not be barred from applying for or commencing training beyond the expiration of the claimant's benefit year where the claim for regular benefits was denied and the reversal of said denial did not occur until after the thirty-first week of the claimant's benefit year.

SECTION 90. Said section 30 of said chapter 151A, as so appearing, is hereby further amended by striking out the last paragraph and inserting in place thereof the following paragraph:-

The department shall provide each claimant with written information regarding eligibility for benefits under this section in the claimant's primary language as required under section 62A, including a notification that a claimant shall submit any application for benefits under this section not later than the twentieth week after a new or continued claim unless the period is tolled by regulation or waived for good cause.

SECTION 91. Section 6 of chapter 161B of the General Laws, as so appearing, is hereby amended by adding the following clause:-

(r) to apply for and receive a license to engage in the business of giving instruction for hire under section 32G of chapter 90 in the operation of a commercial motor vehicle as defined in section 1 of chapter 90F.

SECTION 92. Chapter 166A of the General Laws is hereby amended by adding the following section:-

Section 23. All cable television operators shall locate public, educational and governmental access channels on the high definition tier. Cable television operators shall provide public, educational and governmental access channel managers with access to the electronic program guide to ensure that residents can access information about local public, educational and governmental access channels.

SECTION 93. Subsection (a) of section 162M of chapter 175 of the General Laws, as appearing in the 2014 Official Edition, is hereby amended by inserting after clause (7) the following clause:-

(7 ½) Travel, limited line travel insurance, as defined in section 162Z.

SECTION 94. Said chapter 175 is hereby further amended by inserting after section 162Y the following section:-

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

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

"Limited lines travel insurance producer", a (i) managing general underwriter; (ii) managing general agent or third-party administrator; or (iii) licensed insurance producer, including a limited lines producer, designated by an insurer as the travel insurance supervising entity under subsection (g).

"Offer and disseminate", to provide general information, including a description of the coverage and price, as well as processing the application, collecting premiums and performing other permitted nonlicensable activities.

"Travel insurance", insurance coverage for personal risks incidental to planned travel including, but not limited to: (i) an interruption or cancellation of trip or event; (ii) loss of baggage or personal effects; (iii) damages to accommodations or rental vehicles; or (iv) sickness, accident, disability or death occurring during travel; provided, however, that "travel insurance" shall not include major medical plans, which provide comprehensive medical protection for travelers with trips lasting not less than 6 months, including people working overseas as an expatriate or military personnel being deployed.

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

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

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

(i) the limited lines travel insurance producer or travel retailer provides to purchasers of travel insurance: (A) a description of the material terms or the actual material terms of the insurance coverage; (B) a description of the process for filing a claim; (C) a description of the review or cancellation process for the travel insurance policy; and (D) the identity and contact information of the insurer and limited lines travel insurance producer;

(ii) at the time of licensure, the limited lines travel insurance producer shall establish and maintain a register, on a form prescribed by the commissioner, of each travel retailer that offers travel insurance on the limited lines travel insurance producer's behalf; provided, however, that the register shall be maintained and updated annually by the limited lines travel insurance producer and shall include the name, address and contact information of the travel retailer and an officer or person who directs or controls the travel retailer's operations and the travel retailer's federal tax identification number; provided further, that the limited lines travel insurance producer shall submit the register to the division of insurance upon reasonable request and shall certify that the travel retailer register complies with 18 U.S.C. 1033;

(iii) the limited lines travel insurance producer has designated 1 of its employees, who is a licensed individual producer, as the DRP;

(iv) the DRP, president, secretary, treasurer and any other officer or person who directs or controls the limited lines travel insurance producer's insurance operations shall comply with the fingerprinting requirements applicable to insurance producers in the resident state of the limited lines travel insurance producer;

(v) the limited lines travel insurance producer has paid all applicable insurance producer licensing fees;

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

(vii) the limited lines travel insurance producer or travel retailer provides its written consumer materials to the commissioner upon reasonable request.

(3) The limited lines travel insurance producer, and those registered under its license, are exempt from the examination requirements under section 162K and the continuing education requirements under section 177E.

(c) Any travel retailer offering or disseminating travel insurance shall make available to prospective purchasers, brochures or other written materials that: (i) provide the identity and contact information of the insurer and the limited lines travel insurance producer; (ii) explain that the purchase of travel insurance is not required in order to purchase any other product or service from the travel retailer; and (iii) explain that an unlicensed travel retailer is permitted to provide general information about the insurance offered by the travel retailer, including a description of the coverage and price, but is not qualified or authorized to answer technical questions about the

terms and conditions of the insurance offered by the travel retailer or to evaluate the adequacy of the customer's existing insurance coverage.

(d) A travel retailer's employee or authorized representative who is not licensed as a limited lines travel insurance producer shall not: (i) evaluate or interpret the technical terms, benefits and conditions of the offered travel insurance coverage; (ii) evaluate or provide advice concerning a prospective purchaser's existing insurance coverage; or (iii) hold oneself out as a licensed insurer, licensed producer or insurance expert.

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

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

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

(h) The limited lines travel insurance producer and any travel retailer offering and disseminating travel insurance under the limited lines travel insurance producer license shall be subject to the: (i) laws regarding unfair methods of competition and unfair and deceptive acts and

practices in the business of insurance; and (ii) the enforcement provisions applicable to insurance producers.

SECTION 95. Section 1 of chapter 176J of the General Laws, as appearing in the 2014 Official Edition, is hereby amended by inserting after the word "policy", in line 201, the first time it appears, the following words:- ; travel insurance.

SECTION 96. Said section 1 of said chapter 176J, as so appearing, is hereby further amended by inserting after the definition of "Transitional reinsurance program" the following definition: -

"Travel insurance", insurance coverage for personal risks incidental to planned travel including, but not limited to: (i) interruption or cancellation of trip or event; (ii) loss of baggage or personal effects; (iii) damages to accommodations or rental vehicles; or (iv) sickness, accident, disability or death occurring during travel, provided that the health benefits are not offered on a stand-alone basis and are incidental to other types of coverage; provided, however, that "travel insurance" shall not include major medical plans, which provide comprehensive medical protection for travelers with trips lasting not less than 6 months, including people working overseas as an expatriate or military personnel being deployed.

SECTION 97. Subsection (c) of section 19 of chapter 301 of the acts of 1998, as appearing in chapter 291 of the acts of 2014, is hereby further amended by striking out the last sentence and inserting in place thereof the following 5 sentences:-

The preceding 3 sentences of this subsection shall not apply to any portion of the parkway. Ownership of any completed portion of the parkway, together with ownership of any

associated and completed infrastructure including, but not limited to, public utilities and sewer and storm drain lines located within or adjacent to that portion, shall be transferred to the applicable town, or to the authority, not later than 30 days following the date on which that portion of the parkway is completed or October 1, 2016, whichever is later. Prior to the date on which any portion of the parkway is completed and until such date that ownership of that portion is transferred in accordance with this subsection, that portion shall remain subject to the master developer's control. On or after the date on which any portion of the parkway is completed and ownership of that portion is transferred in accordance this subsection, any applicable town or the authority may enter into a contract with a governmental entity, a nonprofit entity or a private person for the operation and maintenance of that portion, together with operation and maintenance of associated infrastructure including, but not limited to, public utilities and sewer and storm drain lines located within or adjacent to that portion. For purposes of this subsection: (i) except for that portion of the parkway constituting "Parkway-Phase 1" as defined in Article I of the Parkway financing MOA, any portion of the parkway shall be deemed completed on the date on which that portion is open and available for public use; and (ii) that portion of the parkway constituting "Parkway-Phase 1" as defined in Article I of the Parkway financing MOA shall be deemed to have been completed not later than August 19, 2013.

SECTION 98. Subsection (c) of section 7 of chapter 293 of the acts of 2006 is hereby amended by striking out clauses (ii) and (iii) and inserting in place thereof the following 2 clauses:-

(ii) the secretary certifies that the developer has received commitments satisfactory to the department for financing sufficient, with equity or other amounts to be provided by the developer

and other persons, to fund the costs of construction of the proposed economic development project exclusive of those public infrastructure improvements to be financed by the agency and shall have obtained a blanket performance bond or other security satisfactory to the secretary and payable to the agency securing the developer's obligation to complete the construction of the public infrastructure improvements included in the economic development proposal in an amount equal to or greater than the outstanding principal amount of any bonds to be issued by the agency to finance costs of public infrastructure improvements; (iii) the agency certifies that it has approved the proposal.

SECTION 99. Subsection (b) of section 11 of said chapter 293, as most recently amended by section 14 of chapter 129 of the acts of 2008, is hereby further amended by striking out the following words:-

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

commissioner. The ineligibility to participate in economic assistance programs as provided in clauses (i) to (v), inclusive, shall not apply to any tenant of a certified economic development project which is not an affiliate of the developer.

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

SECTION 101. Section 44 of chapter 303 of the acts of 2008 is hereby amended by inserting after the figure "$43,000,000", in line 4, the following words:- excluding bonds issued to refinance bonds previously issued under this section.

SECTION 102. Item 6121-1317 of chapter 79 of the acts of 2014, as most recently amended by chapter 359 of the acts of 2014, is hereby further amended by striking out the words "construction of the Cochituate" and inserting in place thereof the following words:- acquisition and construction of the Cochituate.

SECTION 103. Section 233 of chapter 165 of the acts of 2014, as appearing in section 30 of chapter 119 of the acts of 2015, is hereby amended by striking out "December 31, 2016" and inserting in place thereof the following words:- June 30, 2017.

SECTION 104. A controlling business or affiliate of a controlling business which has been awarded state tax credits under chapter 19 of the acts of 1993 or sections 3A to 3H, inclusive, of chapter 23A of the General Laws and intends to claim such credits on tax filings for tax years beginning on or after January 1, 2016 shall enter into an economic development incentive program, EDIP, contract setting forth the amount of the credits awarded, the amount of

credits claimed or carried over and the job creation obligations of the controlling business. A controlling business or affiliate of a controlling business that fails to enter into an EDIP contract that is in a form and contains the substance acceptable to the Massachusetts office of business development by not later than December 31, 2016 shall forfeit such credits. For purposes of this section, the terms “controlling business” and “EDIP” shall have the meanings provided in said section 3A of said chapter 23A.

SECTION 105. (a) Any reference to “economic target area” or “ETA” in the General Laws shall mean an economic target area designated by the economic assistance coordinating council, EACC, established pursuant to section 3B of chapter 23A of the General Laws, and in existence on the effective date of this act or an area designated by the EACC as an economic target area in accordance with section 3G of said chapter 23A.

(b) Any reference to “economic opportunity area” or “EOA” in the General Laws shall be deemed to mean an economic opportunity area designated by the EACC and in existence on the effective date of this act or an area designated by the EACC as an economic opportunity area pursuant to section 3G of chapter 23A. Existing economic target areas and economic opportunity areas designated by the EACC prior to January 1, 2017 shall remain in effect until their scheduled termination date, if any.

SECTION 106. Notwithstanding any general or special law to the contrary, sections 98 and 99 shall not apply to economic development projects approved by the secretary of administration and finance pursuant to subsection (c) of section 7 of chapter 293 of the acts of 2006, as amended by section 6 of chapter 129 of the acts of 2008, before January 1, 2017.

SECTION 107. The Massachusetts Technology Park Corporation, established in section 3 of chapter 40J of the General Laws and doing business as the Massachusetts Technology Collaborative, shall, subject to appropriation, create a cybersecurity and data analytics technology development and training center of excellence, hereinafter referred to as to as the center. The center shall convene interested public and private universities, governmental bodies and industry participants to share public and private data sets to expand the commonwealth's data analytics capabilities. The center may: (i) match public and private universities with industry participants to develop cybersecurity technology and expand data analytic capabilities; (ii) provide a forum for sharing data sets for analysis; and (iii) provide skills building and workforce training in cybersecurity and data analytics.

The Massachusetts Technology Park Corporation shall file a report detailing the activities of the center not later than September 1, 2017 with the clerks of the senate and house of representatives who shall forward the report to the house and senate committees on ways and means and the joint committee on economic development and emerging technologies.

SECTION 108. There shall be a special commission to conduct a comprehensive study relative to the practical, economic, fiscal and health related impacts of the commonwealth remaining on eastern daylight time, 4 hours behind coordinated universal time, also known as Atlantic standard time, throughout the calendar year. The commission shall focus on the impact to local and regional economies, education, public health, transportation, energy consumption, commerce and trade if the time zone is altered. The commission shall be comprised of the following members: 3 members to be appointed by the governor, 1 of whom shall be a member of the executive office of health and human resources and 1 of whom shall be a member of the

executive office of education; 3 members to be appointed by the president of the senate, 1 of whom shall have expertise in economic development and 1 of whom shall have expertise in energy; 1 member to be appointed by the senate minority leader; 3 members to be appointed by the speaker of the house of representatives, 1 of whom shall have expertise in interstate commerce and 1 of whom shall have expertise in transportation; and 1 member to be appointed by the house minority leader.

The commission shall convene its first meeting not later than October 1, 2016 and shall file a report along with any recommendations for legislative reforms not later than March 31, 2017 with the clerks of the senate and house of representatives who shall forward the report to the chairs of the joint committee on economic development and emerging technologies, the chairs of the joint committee on public health and the chairs of the joint committee on education.

SECTION 109. There shall be a special commission to investigate and report on barriers to meeting labor market demands in the commonwealth. The commission shall examine and analyze why employer demand for workers struggles to correlate with labor supply. The commission shall review the statewide labor market and various employment fields including, but not limited to, cyber-security, high technology and biotechnology, early education and care, home care and home health. The commission shall examine issues relating to employee recruitment and retention, training and professional development and educational achievement.

The special commission shall be comprised of the following members: 2 members of the senate, l of whom shall be appointed by the senate president and who shall serve as co-chair and l of whom shall be appointed by the senate minority leader; 2 members of the house of representatives, l of whom shall be appointed by the speaker of the house of representatives and

who shall serve as co-chair and 1 of whom shall be appointed by the house minority leader; the secretary of labor and workforce development or a designee; the secretary of energy and environmental affairs or a designee; the secretary of transportation or a designee; the secretary of elder affairs or a designee; the secretary of veterans' services or a designee; the secretary of public safety and security or a designee; the secretary of health and human services or a designee; the secretary of housing and economic development or a designee; the secretary of education or a designee; and 6 members to be appointed by the governor, 2 of whom shall be representatives of a labor organization from a list of 6 nominees provided by the Massachusetts AFL-CIO who shall be experienced in small business, the health care industry, education or workforce development, 1 of whom shall be a representative of business from a list of 3 nominees provided by the Massachusetts Business Roundtable who shall be experienced in renewable energy, small business, the health care industry, veterans' affairs, immigration, workforce development or self-employment, 1 of whom shall be a representative of business from a list of 3 nominees provided by The Alliance for Business Leadership, Inc. who shall be experienced in renewable energy, small business, the health care industry, veterans' affairs, immigration, workforce development or self-employment, 1 of whom shall be a representative of the unemployed from 3 nominees provided by Boston Connects, Inc. and 1 of whom shall be an expert in labor economics from a state college or university.

The commission shall file a report not later than September 30, 2017 detailing the results of its investigation and its recommendations with the clerks of the senate and house of representatives who shall forward the report to the chairs of the joint committee on economic development and emerging technologies and the chairs of the joint committee on labor and workforce development.

SECTION 110. Notwithstanding any general or special law to the contrary, to meet the expenditures necessary in carrying out section 2A, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor from time to time but not exceeding, in the aggregate, $581,500,000; provided, however, that the request by the governor shall be made not later than July 31, 2019. All bonds issued by the commonwealth, as aforesaid, shall be designated on their face "Commonwealth Economic Development Act of 2016" and shall be issued for a maximum term of years, not exceeding 30 years, as recommended by the governor in a message to the general court pursuant to Section 3 of Article LXII of the Amendments to the Constitution. All such bonds shall be payable not later than June 30, 2049. All interest and payments on account of principal on these obligations shall be payable from the General Fund. Notwithstanding any other provision of this act, bonds issued under this section and interest thereon shall be general obligations of the commonwealth.

SECTION 111. Notwithstanding any general or special law to the contrary, to meet the expenditures necessary in carrying out section 2B, the state treasurer shall, upon receipt of a request by the governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor from time to time but not exceeding, in the aggregate, $7,500,000. All bonds issued by the commonwealth, as aforesaid, shall be designated on their face, Commonwealth Economic Development Act of 2016, and shall be issued for a maximum term of years, not exceeding 30 years, as the governor may recommend to the general court pursuant to Section 3 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds shall be payable not later than June 30, 2049. All interest and payments on account of principal on such obligations shall be payable from the General Fund. Bonds and interest thereon issued

under the authority of this section shall, notwithstanding any other provision of this act, be general obligations of the commonwealth.

SECTION 112. Notwithstanding any general or special law to the contrary, to meet the expenditures necessary in carrying out section 2C, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor from time to time but not exceeding, in the aggregate, $154,900,000; provided, however, that the request by the governor shall be made not later than July 31, 2019. All bonds issued by the commonwealth, as aforesaid, shall be designated on their face "Commonwealth Economic Development Act of 2016" and shall be issued for a maximum term of years, not exceeding 30 years, as recommended by the governor in a message to the general court pursuant to Section 3 of Article LXII of the Amendments to the Constitution. All such bonds shall be payable not later than June 30, 2049. All interest and payments on account of principal on these obligations shall be payable from the General Fund. Notwithstanding any other provision of this act, bonds issued under this section and interest thereon shall be general obligations of the commonwealth.

SECTION 113. Not later than December 31, 2016, the tax expenditure review unit shall develop a schedule to review tax expenditures as required under subsection (a) of section 16 of chapter 12A of the General Laws and file the schedule with the clerks of the senate and house of representatives, the senate and house chairs of the joint committee on revenue and the chairs of the house and senate committees on ways and means. The schedule shall be posted on the website of the office of inspector general.

SECTION 114. The first annual report required under subsection (e) of section 16 of chapter 12A of the General Laws shall be filed not later than January 31, 2018.

SECTION 115. The deduction allowed pursuant to clause (19) of subsection (a) of part B of section 3 of chapter 62 of the General Laws shall apply for taxable years beginning on or after January 1, 2017 through the tax year beginning on January 1, 2021.

SECTION 116. The commissioner may promulgate rules and regulations to implement and operate voluntary collection agreements under section 6 of chapter 64G of the General Laws within 6 months of the effective date of this act; provided, however, that the rules and regulations shall contain minimum standards for a hosting platform and an operator's agent to be eligible to enter into a voluntary collection agreement with the commissioner.

SECTION 117. Section 53 shall take effect for tax years beginning not later than January 1, 2018.

SECTION 118. Sections 5 to 7, inclusive, 21 to 27, inclusive, 34, 35, 40 to 52, inclusive, 54 to 66, inclusive, 67, 98, 99 and 105 shall be effective for tax years beginning on or after January 1, 2017.

SECTION 119. Sections 87 to 90, inclusive, shall take effect on January 1, 2017.

SECTION 120. Sections 28 to 33, inclusive, 33 to 53, inclusive, shall take effect on October 1, 2016.