

# **HOUSE . . . . . No. 4714**

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## The Commonwealth of Massachusetts

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HOUSE OF REPRESENTATIVES, July 9, 2018.

The committee on Ways and Means, to whom was referred the Bill relative to economic development in the commonwealth (House, No. 4592), reports recommending that the same ought to pass with an amendment substituting therefor the accompanying bill (House, No. 4714) [Bond Issue: General Obligation Bonds: \$666,250,000.00].

For the committee,

JEFFREY SÁNCHEZ.

**HOUSE . . . . . No. 4714**

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**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninetieth General Court  
(2017-2018)**  
\_\_\_\_\_

An Act relative to economic development in the commonwealth.

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

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

7           SECTION 2A.

8           EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

9           Office of the Secretary

10           6720-1351. For a grant program to coastal communities to be administered by the  
11 Seaport Economic Council; provided that funding shall be used for community planning and  
12 investment activities that stimulate economic development and create jobs in the maritime

13 economy sector, and to construct, improve, repair, maintain and protect coastal assets that are  
14 vital to achieving these goals; provided further, that that the planning, prioritization, selection  
15 and implementation of projects shall consider climate change impacts in furtherance of the goals  
16 of climate change mitigation and adaptation and consistent with the integrated state hazard  
17 mitigation and climate change adaptation plan..... \$50,000,000

18 7002-1501. For grants administered by Massachusetts Technology Development  
19 Corporation established in section 2 of chapter 40G of the General Laws, and doing business as  
20 MassVentures; provided that such grants shall be made on a competitive basis to growing  
21 Massachusetts-based companies commercializing technologies developed with assistance of a  
22 Small Business Innovation Research (SBIR) or Small Business Technology Transfer (STTR)  
23 grant from a federal agency such as, but not limited to, the Department of Defense, the  
24 Department of Energy, or the National Science Foundation..... \$12,500,000

25 7002-8006. For the MassWorks infrastructure program established in section 63 of  
26 chapter 23A of the General Laws.....\$300,000,000

27 7002-8007. For matching grants to enable institutions of higher education, including  
28 state and municipal colleges and universities, to participate in and receive federal funding  
29 through Manufacturing USA, formerly known as the National Network for Manufacturing  
30 Innovation..... \$25,000,000

31 7002-8019. For the Massachusetts Growth Capital Corporation established in section 2  
32 of chapter 40W of the General Laws, for a program to provide matching grants to community  
33 development financial institutions certified by the United States Treasury or community  
34 development corporations certified under chapter 40H of the General Laws to enable the

35 community development financial institution or community development corporation to leverage  
36 federal or private investments for the purpose of making loans to small  
37 businesses..... \$1,250,000

38 7002-8022. For the Massachusetts Cybersecurity Innovation Fund established in  
39 section 4H of chapter 40J of the General Laws.....\$2,500,000

40 7002-8023. For grants to coastal communities to undertake dredging projects that will  
41 promote job creation, increase commercial activity, contribute to downtown revitalization, or  
42 advance other local economic development goals; provided that all grants shall be matched on a  
43 1:1 basis by the grantee..... \$50,000,000

44 SECTION 2B.

45 EXECUTIVE OFFICE OF EDUCATION

46 Office of the Secretary

47 7009-2005. For a competitive grant program to be administered by the executive  
48 office of education, in consultation with the executive office of housing and economic  
49 development and the executive office of labor and workforce development, to provide funding  
50 for the purchase and installation of equipment and any related improvements and renovations to  
51 facilities necessary for the installation and use of such equipment, in order to establish, upgrade  
52 and expand career technical education and training programs that are aligned to regional  
53 economic and workforce development priorities; provided, that grant applications may facilitate  
54 collaboration to provide students enrolled in eligible vocational technical schools with  
55 postsecondary opportunities consistent with clause (o) of the first paragraph of section 22 of

56 chapter 15A of the General Laws and section 37A of chapter 74 of the General Laws; provided  
57 further, that community colleges, and innovation centers that receive funds from the  
58 Massachusetts Life Sciences Center shall also be eligible for funds from this program; provided  
59 further, that the executive office of education, in consultation with the executive office of  
60 housing and economic development and the executive office of labor and workforce  
61 development, shall adopt additional guidelines as necessary for the administration of the  
62 program; provided further, that awards may be made to community-based organizations with  
63 recognized success in training adults with barriers to employment..... \$75,000,000

64 MASSACHUSETTS DEPARTMENT OF TRANSPORTATION

65 Office of the Secretary

66 6720-1341. For mitigation of or contribution toward any costs associated with or  
67 arising out of design, construction or infrastructure improvements to the Raymond L. Flynn  
68 Cruiseport in the South Boston section of the city of Boston to accommodate large cruise ships  
69 and increasing passenger demand, for the continued competitiveness of the terminal; provided,  
70 that the secretary, in coordination with the chief executive officer of the Massachusetts Port  
71 Authority, shall seek to maximize federal and private funds and reimbursement to offset, to the  
72 extent feasible, costs incurred under this item.....\$100,000,000

73 EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

74 Office of the Secretary.

75 0640-0302. For the Massachusetts Cultural Facilities Fund established in section 42 of  
76 chapter 23G of the General Laws for the acquisition, design, construction, repair, renovation,

77 rehabilitation or other capital improvement or deferred maintenance to a cultural facility to  
78 advance and promote tourism through the preservation of the state’s cultural  
79 resources.....\$50,000,000

80 SECTION 3. Section 16 of chapter 6D of the General Laws, as appearing in the 2016  
81 Official Edition, is hereby amended by striking out subsection (c).

82 SECTION 4. Subsection (b) of section 3A of chapter 23A of the General Laws, as so  
83 appearing, is hereby amended by inserting after the definition of “Expansion of an existing  
84 facility” the following definition:-

85 “Extraordinary economic development opportunity”, a proposed project that is jointly  
86 designated by the secretary of housing and economic development and the secretary of  
87 administration and finance as an extraordinary economic development opportunity as provided in  
88 subsection (e) of section 3C.

89 SECTION 5. Section 3C of said chapter 23A, as so appearing, is hereby amended by  
90 adding the following 2 subsections:-

91 (d) Notwithstanding the requirements of subsections (b) and (c), the EACC may by  
92 guidelines or regulations establish a program to incent businesses to occupy vacant storefronts in  
93 downtown areas. The EACC may award EDIP tax credits to storefront tenants on a competitive  
94 basis taking into account factors such as the number of jobs to be created; the volume of  
95 pedestrian traffic to be generated; potential synergy with other downtown businesses; whether  
96 there is a matching contribution from the municipality or the landlord; commitment to storefront  
97 improvements; and whether the municipality has made local plans or investments to revitalize  
98 the downtown. Certification of such projects shall require that a business commit to occupy the

99 vacant storefront for a period of not less than 1 year, but shall not require the business to invest  
100 in improvements or to create new jobs. The EACC shall not award more than \$500,000 in EDIP  
101 tax credits in a calendar year to projects certified pursuant to this subsection.

102 (e) The secretary of housing and economic development and the secretary of  
103 administration and finance may, from time to time, jointly designate a proposed project as an  
104 extraordinary economic development opportunity if the secretaries jointly determine that the  
105 proposed project involves the construction or substantial rehabilitation of a new facility or  
106 expansion of an existing facility within the commonwealth that is not a replacement of an  
107 existing facility in the commonwealth, or involves the relocation of an existing business to the  
108 commonwealth from a facility located outside of the commonwealth, and the proposed project  
109 meets at least 1 of the following additional criteria:

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

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

115 The decision by the secretaries to designate or not to designate a proposed project as an  
116 extraordinary economic development opportunity may include such conditions as the secretaries  
117 shall in their discretion impose. Such decisions shall be final and shall not be subject to  
118 administrative appeal or judicial review under chapter 30A or give rise to any other cause of  
119 action or legal or equitable claim or remedy.

120 SECTION 6. Subsection (b) of section 3D of said chapter 23A, as so appearing, is hereby  
121 further amended by adding the following sentence:-

122 Refundable tax credits awarded to a certified project that has been designated as an  
123 extraordinary economic development opportunity shall not be counted against the cap set forth in  
124 this subsection.

125 SECTION 7. Subsection (c) of said section 3D of said chapter 23A, as so appearing, is  
126 hereby further amended by inserting after the first sentence the following sentence:-

127 Notwithstanding the cap set forth in the preceding sentence, the EACC may authorize tax credits  
128 in excess of the annual cap of \$30,000,000 for a certified project that is designated as an  
129 extraordinary economic development opportunity; provided that the total amount awarded shall  
130 not exceed \$50,000,000 in a calendar year.

131 SECTION 8. Said chapter 23A is hereby further amended by striking out section 10B, as  
132 so appearing, and inserting in place thereof the following section:-

133 Section 10B. The secretary of housing and economic development shall establish a  
134 Massachusetts advanced manufacturing collaborative, hereinafter referred to as the collaborative,  
135 within the executive office of housing and economic development, which shall be responsible for  
136 advising and assisting on the development, implementation and periodic update of a plan to  
137 foster and strengthen the conditions necessary for growth and innovation of manufacturing  
138 within the commonwealth. The collaborative shall include, but not be limited to: the secretary of  
139 housing and economic development, or a designee, who shall serve as chair; the secretary of  
140 labor and workforce development, or a designee; 1 person who shall be appointed by the speaker  
141 of the house of representatives; 1 person who shall be appointed by the president of the senate;



142 the director of the office of business development; the executive director of the Massachusetts  
143 clean energy center; the executive director of the Massachusetts Life Sciences Center; the  
144 executive director of the John Adams Innovation Institute; the executive director of the  
145 Massachusetts Technology Transfer Center; the president of the Massachusetts Manufacturing  
146 Extension Partnership, Inc.; a representative from the Associated Industries of Massachusetts,  
147 Inc.; a representative from the Massachusetts Workforce Board Association; a representative  
148 from the Massachusetts Development Finance Agency; a representative from the Massachusetts  
149 Technology Park Corporation; a representative from a local chamber of commerce appointed by  
150 the governor; and 8 members appointed by the governor to represent the commonwealth's large  
151 manufacturers, small-to-medium sized enterprises, incubators, innovation centers and federally-  
152 funded research and development centers. The collaborative shall: (i) consult with stakeholders  
153 in the public and private sector in the development and implementation of the commonwealth's  
154 manufacturing plan; (ii) identify emerging priorities within the commonwealth's manufacturing  
155 sector in order to make recommendations for high impact projects and initiatives; (iii) facilitate  
156 the implementation of goals established under the plan; and (iv) develop a statewide certification  
157 process for the advanced manufacturing industry with the goal of establishing uniform industry  
158 workforce standards across the commonwealth. The collaborative may establish working groups  
159 that aid in the development and implementation of the plan.

160 SECTION 9. Subsection (b) of section 2RR of chapter 29 of the General Laws, as so  
161 appearing, is hereby amended by adding the following paragraph:-

162 (3) To provide grants for pipeline training for unemployed persons by an employer with a  
163 job vacancy; provided that, the director shall not allocate more than 5 per cent of the annual  
164 capitalization of the fund to provide for such grants. In determining who shall receive the grants,

165 the director shall contract with the Commonwealth Corporation to distribute the grants in a need-  
166 based, competitive process in accordance with the rules and parameters outlined in section  
167 2WWW of chapter 29. The grants shall be performance-based; with 50 per cent paid upon  
168 enrollment in the program, and the balance to be paid contingent on job placement and retention  
169 outcomes; provided that for the purpose of this section, job placement shall mean placement in a  
170 training related position requiring at least 30 hours per week; further, retention outcomes shall  
171 mean placement in said position for at least 2 months.

172 SECTION 10. Chapter 40J of the General Laws is hereby amended by inserting after  
173 section 4G the following section:-

174 Section 4H. (a) In order to grow the cybersecurity industry cluster in the commonwealth  
175 and protect against cybersecurity threats, there is hereby established and set up on the books of  
176 the corporation the Massachusetts Cybersecurity Innovation Fund, hereinafter referred to as the  
177 fund, to which shall be credited the proceeds of any bonds or notes of the commonwealth issued  
178 for the purpose, and any appropriations designated by the general court to be credited thereto.  
179 The fund shall be administered by the corporation. The corporation shall hold the fund in an  
180 account or accounts separate from other funds of the corporation. The purpose of the fund shall  
181 be to: (i) support facilities, hardware and software used to develop or test cybersecurity solutions  
182 and enable the growth of innovative ideas to address cybersecurity threats; (ii) accelerate the  
183 growth of the cybersecurity cluster and related clusters; (iii) expand employment opportunities  
184 and address talent pipeline needs in the cybersecurity industry and related industries for the  
185 residents of the commonwealth, including, but not limited to, women, minorities, veterans, and  
186 unemployed and underemployed individuals, through workforce training; (iv) match public and  
187 private universities with industry participants to develop cybersecurity technology and expand

188 other relevant capabilities; and (v) promote the development and implementation of educational  
189 programs within the commonwealth’s public schools, kindergarten to grade 12, inclusive, and  
190 public institutions of higher education through collaboration with Massachusetts Computing  
191 Attainment Network.

192 SECTION 11. Chapter 40M of the General Laws is hereby amended by adding the  
193 following section:-

194 Section 18. Notwithstanding any general or special law to the contrary, chapter 176W  
195 shall apply to groups governed by this chapter.

196 SECTION 12. Paragraph (a) of part B of section 3 of chapter 62 of the General Laws, as  
197 so appearing, is hereby amended by striking out subparagraph (10) and inserting in place thereof  
198 the following subparagraph:- (10) An amount equal to 10 per cent of the cost of renovating any  
199 abandoned building that is part of a certified project as defined in section 3A of chapter 23A.

200 SECTION 13. Paragraph (1) of subsection (g) of section 6 of said chapter 62 is hereby  
201 amended by inserting after the words ““EDIP contract””, in line 149, as so appearing, the  
202 following words:- , “extraordinary economic development opportunity”.

203 SECTION 14. Paragraph (3) of said subsection (g) of said section 6 of said chapter 62, as  
204 so appearing, is hereby further amended by inserting after the second sentence the following  
205 sentence:- Notwithstanding the cap set forth in this paragraph, the EACC may authorize an  
206 additional \$20,000,000 in EDIP tax credits to any project designated as an extraordinary  
207 economic development opportunity in accordance with subsection (e) of section 3C of chapter  
208 23A; provided that if such designation and authorization occurs, the total amount of EDIP tax

209 credits awarded by the EACC pursuant to this subsection and section 38N of chapter 63 shall not  
210 exceed \$50,000,000 in a calendar year.

211 SECTION 15. Said section 6 of said chapter 62, as amended by section 33 of chapter 47  
212 of the acts of 2017, is hereby further amended by adding the following subsection:-

213 (v)(1) An employer that is not a business corporation subject to the excise under chapter  
214 63, shall be allowed a credit equal to \$4,800 or 50 per cent of the wages paid to each qualified  
215 apprentice in a taxable year, whichever is less, against the tax liability imposed by this chapter.  
216 If a credit allowed by this subsection exceeds the tax otherwise due under this chapter, 100 per  
217 cent of the balance of such credit may, at the option of the taxpayer, be refundable to the  
218 taxpayer. In order to qualify, the apprentice must meet the definition of apprentice in section  
219 11H of chapter 23 and must be hired and trained in 1 of the following occupations, as defined by  
220 the Bureau of Labor Statistics: computer occupations, as defined by Standard Occupational  
221 Codes 15-1200; health technologists and technicians, as defined by Standard Occupational Codes  
222 29-2000; health practitioner support technologists and technicians, as defined by Standard  
223 Occupational Codes 29-2050; healthcare support occupations, as defined by Standard  
224 Occupational Codes 31-0000; or production occupations if employed in the manufacturing  
225 industry, as defined by Standard Occupational Codes 51-0000, NAICS code 31-33.

226 (2) To be eligible for a credit under this subsection: (a) the primary place of employment  
227 of the apprentice must be in the commonwealth; (b) the business must be registered with the  
228 division of apprentice standards as an apprenticeship program sponsor and have an apprentice  
229 agreement, as defined in section 11H of chapter 23, with each apprentice for whom the credit is

230 claimed; and (c) the apprentice must have been employed as an apprentice by the business for at  
231 least 180 calendar days in the taxable year in which the credit is claimed.

232 (3) An employer that is eligible for and claims the credit allowed under this subsection in  
233 a taxable year with respect to a qualified apprentice shall be eligible for a credit in the  
234 subsequent taxable year with respect to such qualified apprentice, subject to certification by the  
235 division of apprentice standards of continued employment as an apprentice during the subsequent  
236 taxable year in the manner required by the commissioner. Any credit allowed under this  
237 subsection shall not be transferable

238 (4) The secretary of labor and workforce development, in consultation with the  
239 commissioner, shall promulgate regulations establishing an application process for the credit;  
240 provided, however, that the regulations shall include a maximum number of qualified apprentices  
241 for which a taxpayer may claim the credit in a year.

242 (5) The credit under this subsection shall be attributed on a pro rata basis to the owners,  
243 partners or members of the legal entity entitled to the credit under this subsection, and shall be  
244 allowed as a credit against the tax due under this chapter of such owners, partners or members, in  
245 a manner determined by the commissioner.

246 (6) The secretaries of labor and workforce development and administration and finance,  
247 acting jointly and in writing shall authorize tax credits pursuant to this subsection and section  
248 38HH of chapter 63. The total amount of credits that may be authorized in a calendar year  
249 pursuant to this subsection and said section 38HH of said chapter 63 shall not exceed  
250 \$2,500,000. No credits shall be allowed under this subsection except to the extent authorized in  
251 this paragraph. The commissioner, after consulting with the secretaries, on the criteria set forth in

252 paragraphs (1) and (2) of this subsection, shall adopt regulations governing applications for and  
253 other administration of the tax credits. The secretaries and the division of apprentice standards  
254 shall provide the commissioner with the documentation that the commissioner deems necessary  
255 to confirm compliance with the annual cap.

256 (7) The commissioner, in consultation with the secretaries, shall annually, not later than  
257 March 1, file a report with the house and senate committees on ways and means, the joint  
258 committee on economic development and emerging technologies, and the joint committee on  
259 labor and workforce development, identifying the following: (i) total amount of tax credits  
260 claimed pursuant to this subsection; (ii) the number of participating apprentices and relevant  
261 wage information; (iii) the number of applications received and the number of participating  
262 employers; (iv) the areas of occupation by qualifying tax credit beneficiaries; (v) program  
263 outcomes for apprentices, including job retention and further employment opportunities; and (vi)  
264 whether the tax credit program is achieving its public policy purpose to create talent pipelines for  
265 businesses and provide career pathways toward high demand occupations for unemployed and  
266 underemployed residents of the commonwealth.

267 SECTION 16. Subsection (v) of said section 6 of said chapter 62, as added by section 15,  
268 is hereby repealed.

269 SECTION 17. Section 38N of chapter 63 of the General Laws, as appearing in the 2016  
270 Official Edition, is hereby amended by inserting after the words “EDIP contract”, in line 2, the  
271 following words:- , “extraordinary economic development opportunity”.

272 SECTION 18. The first paragraph of subsection (c) of said section 38N of said chapter  
273 63, as so appearing, is hereby amended by adding the following sentence:-

274 Notwithstanding the cap set forth in this paragraph, the EACC may authorize an award of  
275 an additional \$20,000,000 in EDIP tax credits to any project designated as an extraordinary  
276 economic development opportunity in accordance with subsection (e) of section 3C of chapter  
277 23A; provided that that if such designation and authorization occurs, the total amount of EDIP  
278 tax credits awarded by the EACC pursuant to this section and subsection (g) of section 6 of  
279 chapter 62 shall not exceed \$50,000,000 in a calendar year.

280 SECTION 19. Section 38O of said chapter 63, as so appearing, is hereby amended by  
281 striking out, in lines 4 to 5, the words “either located within an economic target area designated  
282 under section 3G of chapter 23A, or”.

283 SECTION 20. Said chapter 63 is hereby amended by inserting after section 38GG, as  
284 inserted by section 35 of chapter 47 of the acts of 2017, the following section:-

285 Section 38HH.

286 (a) A business corporation engaged in business in the commonwealth shall be allowed a  
287 credit against its excise due under this chapter in an amount equal to \$4,800 or 50 per cent of the  
288 wages paid to each qualified apprentice in a taxable year, whichever is less. If a credit allowed  
289 by this section exceeds the tax otherwise due under this chapter, 100 per cent of the balance of  
290 such credit may, at the option of the taxpayer, be refundable to the taxpayer. In order to qualify,  
291 the apprentice must meet the definition of apprentice in section 11H of chapter 23 and must be  
292 hired and trained in 1 of the following occupations, as defined by the Bureau of Labor Statistics:  
293 computer occupations, as defined by Standard Occupational Codes 15-1200; health technologists  
294 and technicians, as defined by Standard Occupational Codes 29-2000; health practitioner support  
295 technologists and technicians, as defined by Standard Occupational Codes 29-2050; healthcare

296 support occupations, as defined by Standard Occupational Codes 31-0000; or production  
297 occupations if employed in the manufacturing industry, as defined by Standard Occupational  
298 Codes 51-0000, NAICS code 31-33.

299 (b) To be eligible for a credit under this section: (i) the primary place of employment of  
300 the apprentice must be in the commonwealth; (ii) the business corporation must be registered  
301 with the division of apprentice standards as an apprenticeship program sponsor and have an  
302 apprentice agreement, as defined in section 11H of chapter 23, with each apprentice for whom  
303 the credit is claimed; and (iii) the apprentice must have been employed by the business  
304 corporation as an apprentice for at least 180 calendar days in the taxable year in which the credit  
305 is claimed.

306 (c) A business corporation that is eligible for and claims the credit allowed under this  
307 section in a taxable year with respect to a qualified apprentice shall be eligible for a credit in the  
308 subsequent taxable year with respect to such qualified apprentice, subject to certification by the  
309 division of apprentice standards of continued employment as an apprentice during the subsequent  
310 taxable year in the manner required by the commissioner. Any credit allowed under this section  
311 shall not be transferable.

312 (d) The secretary of labor and workforce development, in consultation with the  
313 commissioner, shall promulgate regulations establishing an application process for the credit;  
314 provided, however, that the regulations shall include a maximum number of qualified apprentices  
315 for which a taxpayer may claim the credit in a year.

316 (e) The secretaries of labor and workforce development and administration and finance,  
317 acting jointly and in writing shall authorize tax credits pursuant to this section and subsection (v)



318 of section 6 of chapter 62. The total amount of credits that may be authorized in a calendar year  
319 pursuant to this section and said subsection (v) of said section 6 of said chapter 62 shall not  
320 exceed \$2,500,000. No credits shall be allowed under this subsection except to the extent  
321 authorized in this paragraph. The commissioner, after consulting with the secretaries, on the  
322 criteria set forth in subsections (a) and (b) of this section, shall adopt regulations governing  
323 applications for and other administration of the tax credits. The secretaries and the division of  
324 apprentice standards shall provide the commissioner with the documentation that the  
325 commissioner deems necessary to confirm compliance with the annual cap.

326 (f) The commissioner, in consultation with the secretaries, shall annually, not later than  
327 March 1, file a report with the house and senate committees on ways and means, the joint  
328 committee on economic development and emerging technologies, and the joint committee on  
329 labor and workforce development, identifying the following: (i) total amount of tax credits  
330 claimed pursuant to this subsection; (ii) the number of participating apprentices and relevant  
331 wage information; (iii) the number of applications received and the number of participating  
332 employers; (iv) the areas of occupation by qualifying tax credit beneficiaries; (v) program  
333 outcomes for apprentices, including job retention and further employment opportunities; and (vi)  
334 whether the tax credit program is achieving its public policy purpose to create talent pipelines for  
335 businesses and provide career pathways toward high demand occupations for unemployed and  
336 underemployed residents of the commonwealth.

337 SECTION 21. Section 38HH of said chapter 63, as inserted by section 20, is hereby  
338 repealed.

339 SECTION 22. Section 14L of chapter 151A of the General Laws, as appearing in the  
340 2016 Official Edition, is hereby amended by adding the following subsection:-

341 (c) Not later than March 1 of each year, the commissioner shall file a report in writing  
342 with the joint committee on labor and workforce development and the house and senate  
343 committees on ways and means concerning the collection of the workforce training  
344 contributions, pursuant to subsection (a), during the calendar year ending on the preceding  
345 December 31, which shall include, but not be limited to: (1) the amount collected in each quarter  
346 and the total amount collected for the year; (2) the total number of employers that contributed to  
347 the fund, and the total number of employees employed by this group of employers; and (3) the  
348 contribution rate, to the extent it differs from 0.056 per cent.

349 SECTION 23. Section 25E of chapter 152 of the General Laws, as so appearing, is  
350 hereby amended by striking out, in line 1, 14 and 16, the words “25V,” and inserting in place  
351 thereof, in each instance, the following words:- 25W.

352 SECTION 24. Said chapter 152 is hereby further amended by inserting after section 25V  
353 the following section:-

354 Section 25W. Notwithstanding any general or special law to the contrary, chapter 176W  
355 shall apply to groups governed by sections 25E to 25U, inclusive.

356 SECTION 25. Subsection (1) of section 20A of chapter 175 of the General Laws, as  
357 appearing in the 2016 Official Edition, is hereby amended by adding the following 2  
358 paragraphs:-

359 (I) If an accredited or certified reinsurer ceases to meet the requirements for accreditation  
360 or certification, the commissioner may suspend or revoke the reinsurer's accreditation or  
361 certification.

362 (i) The commissioner shall give the reinsurer notice and opportunity for hearing. The  
363 suspension or revocation shall not take effect until after the commissioner's order on hearing,  
364 unless:

365 (a) the reinsurer waives its right to hearing;

366 (b) the commissioner's order is based on regulatory action by the reinsurer's domiciliary  
367 jurisdiction or the voluntary surrender or termination of the reinsurer's eligibility to transact  
368 insurance or reinsurance business in its domiciliary jurisdiction or in the primary certifying state  
369 of the reinsurer under subparagraph (vi) of paragraph (E); or

370 (c) the commissioner finds that an emergency requires immediate action and a court of  
371 competent jurisdiction has not stayed the commissioner's action.

372 (ii) While a reinsurer's accreditation or certification is suspended, no reinsurance contract  
373 issued or renewed after the effective date of the suspension shall qualify for credit except to the  
374 extent that the reinsurer's obligations under the contract are secured in accordance with  
375 subsection (2). If a reinsurer's accreditation or certification is revoked, no credit for reinsurance  
376 shall be granted after the effective date of the revocation except to the extent that the reinsurer's  
377 obligations under the contract are secured in accordance with subparagraph (v) of paragraph (E)  
378 or subsection (2).

379 (J)(i) A ceding insurer shall take steps to manage its reinsurance recoverables  
380 proportionate to its own book of business. A domestic ceding insurer shall notify the  
381 commissioner within 30 days after: (1) reinsurance recoverables from any single assuming  
382 insurer, or group of affiliated assuming insurers, exceeds 50 per cent of the domestic ceding  
383 insurer's last reported surplus to policyholders, or (2) it is determined that reinsurance  
384 recoverables from any single assuming insurer, or group of affiliated assuming insurers, is likely  
385 to exceed 50 per cent of the domestic ceding insurer's last reported surplus to policyholders. The  
386 notification shall demonstrate that the exposure is safely managed by the domestic ceding  
387 insurer.

388 (ii) A ceding insurer shall take steps to diversify its reinsurance program. A domestic  
389 ceding insurer shall notify the commissioner within 30 days after: (1) ceding to any single  
390 assuming insurer, or group of affiliated assuming insurers, more than 20 per cent of the ceding  
391 insurer's gross written premium in the prior calendar year, or (2) it has determined that the  
392 reinsurance ceded to any single assuming insurer, or group of affiliated assuming insurers, is  
393 likely to exceed 20 per cent of the ceding insurer's gross written premium in the prior calendar  
394 year. The notification shall demonstrate that the exposure is safely managed by the domestic  
395 ceding insurer.

396 SECTION 26. Said section 20A of said chapter 175, as so appearing, is hereby further  
397 amended by striking out subsection (5) and inserting in place thereof the following subsection:-

398 (5) (A) The commissioner may, in accordance with chapter 30A and after notice and  
399 hearing, promulgate reasonable rules and regulations necessary to effectuate this section.

400 (B) A regulation applicable to reinsurance arrangements shall apply only to reinsurance  
401 relating to:

402 (i) life insurance policies with guaranteed nonlevel gross premiums or guaranteed  
403 nonlevel benefits;

404 (ii) universal life insurance policies with provisions resulting in the ability of a  
405 policyholder to keep a policy in force over a secondary guarantee period;

406 (iii) variable annuities with guaranteed death or living benefits;

407 (iv) long-term care insurance policies; or

408 (v) such other life and health insurance and annuity products as to which model  
409 regulatory requirements are adopted with respect to credit for reinsurance.

410 (C) A regulation adopted pursuant to clauses (i) and (ii) of paragraph (B) shall apply to  
411 any reinsurance contract containing:

412 (i) policies issued on or after January 1, 2015, or

413 (ii) policies issued prior to January 1, 2015, if risk pertaining to such pre-2015 policies is  
414 ceded in connection with the contract, in whole or in part, on or after January 1, 2015.

415 (D) A regulation adopted pursuant to paragraph (B) shall not apply to cessions to an  
416 assuming insurer that:

417 (i) is certified in the commonwealth;

418 (ii) maintains at least \$250,000,000 in capital and surplus when determined in accordance  
419 with generally accepted accounting practices; and

420 (iii) is licensed in at least 26 states; or licensed in at least 10 states and licensed or  
421 accredited in a total of at least 35 states.

422 (E) The authority to adopt regulations pursuant to paragraph (B) shall not limit the  
423 commissioner's authority to adopt regulations pursuant to paragraph (A).

424 SECTION 27. Section 206 of said chapter 175, as so appearing, is hereby amended by  
425 inserting after the definition of "Control" the following definition:-

426 "Group-wide supervisor", the regulatory official authorized to engage in conducting and  
427 coordinating group-wide supervision activities and is determined or acknowledged by the  
428 commissioner under subsection (y) of section 206C to have sufficient significant contacts with  
429 the internationally active insurance group.

430 SECTION 28. Said section 206 of said chapter 175, as so appearing, is hereby further  
431 amended by inserting after the definition of "Insurer" the following definition:-

432 "Internationally active insurance group", an insurance holding company system that: (i)  
433 includes an insurer registered under section 206C; and (ii) meets the following criteria: (a)  
434 premiums written in at least 3 countries; (b) the percentage of gross premiums written outside the  
435 United States is at least 10 per cent of the insurance holding company system's total gross  
436 written premiums and (c) based on a 3-year rolling average, the total assets of the insurance  
437 holding company system are at least \$50,000,000,000 or the total gross written premiums of the  
438 insurance holding company system are at least \$10,000,000,000.

439 SECTION 29. Section 206C of said chapter 175, as so appearing, is hereby further  
440 amended by inserting after the word “reported”, in line 291, the following words:- or provided  
441 to the division of insurance.

442 SECTION 30. Said section 206C of said chapter 175, as so appearing, is hereby further  
443 amended by adding the following subsection:-

444 (y)(1) The commissioner may act as the group-wide supervisor for any internationally  
445 active insurance group in accordance with this subsection; provided however, the commissioner  
446 may otherwise acknowledge another regulatory official as the group-wide supervisor if the  
447 internationally active insurance group:

448 (i) does not have substantial insurance operations in the United States;

449 (ii) has substantial insurance operations in the United States, but not the commonwealth;

450 or

451 (iii) has substantial insurance operations in the United States and the commonwealth, but  
452 the commissioner has determined pursuant to the factors set forth in paragraphs (2) and (6) that  
453 another regulatory official is the appropriate group-wide supervisor.

454 An insurance holding company system that does not qualify as an internationally active  
455 insurance group may request that the commissioner make a determination or acknowledgement  
456 as to a group-wide supervisor .

457 (2) In cooperation with other state, federal and international regulatory agencies, the  
458 commissioner shall identify a single group-wide supervisor for an internationally active  
459 insurance group. The commissioner may determine that the commissioner is the appropriate

460 group-wide supervisor for an internationally active insurance group that conducts substantial  
461 insurance operations concentrated in the commonwealth; provided however, the commissioner  
462 may determine that it is appropriate to acknowledge another supervisor to serve as the group-  
463 wide supervisor. The acknowledgement of the group-wide supervisor shall be made after  
464 consideration of the factors listed in clauses (i) to (v) of the second paragraph, and shall be made  
465 in cooperation with and subject to the acknowledgment of other regulatory officials involved  
466 with supervision of members of the internationally active insurance group, and in consultation  
467 with the internationally active insurance group.

468         The commissioner may acknowledge that a regulatory official from another jurisdiction  
469 is the appropriate group-wide supervisor for the internationally active insurance group. The  
470 commissioner shall consider the following factors when making a determination or  
471 acknowledgement under this subsection:

472             (i) the domicile of the insurers within the internationally active insurance group that hold  
473 the largest share of the group's written premiums, assets or liabilities;

474             (ii) the domicile of the top-tiered insurers in the insurance holding company system of the  
475 internationally active insurance group;

476             (iii) the location of the executive offices or largest operational offices of the  
477 internationally active insurance group;

478             (iv) whether another regulatory official is acting or is seeking to act as the group-wide  
479 supervisor under a regulatory system that the commissioner determines to be substantially  
480 similar to the system of regulation by the commonwealth, or otherwise sufficient in terms of



481 providing for group-wide supervision, enterprise risk analysis and cooperation with other  
482 regulatory officials; and

483 (v) whether another regulatory official acting or seeking to act as the group-wide  
484 supervisor provides the commissioner with reasonably reciprocal recognition and cooperation.

485 (3) Notwithstanding any general or special law to the contrary, when another regulatory  
486 official is acting as the group-wide supervisor of an internationally active insurance group, the  
487 commissioner shall acknowledge that regulatory official as the group-wide supervisor.  
488 However, in the event of a material change in the internationally active insurance group that  
489 results in: (i) the internationally active insurance group's insurers domiciled in the  
490 commonwealth holding the largest share of the group's premiums, assets or liabilities; or (ii) the  
491 commonwealth being the domicile of the top-tiered insurers in the insurance holding company  
492 system of the internationally active insurance group, the commissioner shall make a  
493 determination or acknowledgment as to the appropriate group-wide supervisor for such an  
494 internationally active insurance group pursuant to paragraph (2).

495 (4) Pursuant to subsection (u), the commissioner may collect from any insurer registered  
496 pursuant to subsection (a) all information necessary to determine if the commissioner may act as  
497 the group-wide supervisor of an internationally active insurance group or acknowledge another  
498 regulatory official to act as the group-wide supervisor. Prior to issuing a determination that an  
499 internationally active insurance group is subject to group-wide supervision by the commissioner,  
500 the commissioner shall notify the insurer registered pursuant to subsection (a) and the ultimate  
501 controlling person within the internationally active insurance group. The internationally active  
502 insurance group shall have not less than 30 days to provide the commissioner with additional

503 information pertinent to the pending determination. The commissioner shall publish on the  
504 division of insurance's website the identity of internationally active insurance groups that the  
505 commissioner has determined are subject to group-wide supervision by the commissioner.

506 (5) If the commissioner is the group-wide supervisor for an internationally active  
507 insurance group, the commissioner may engage in any of the following group-wide supervision  
508 activities:

509 (i) assess the enterprise risks within the internationally active insurance group to ensure  
510 that the material financial condition and liquidity risks to the members of the internationally  
511 active insurance group that are engaged in the business of insurance are identified by  
512 management and reasonable and effective mitigation measures are in place;

513 (ii) request, from any member of an internationally active insurance group subject to the  
514 commissioner's supervision, information necessary and appropriate to assess enterprise risk,  
515 including but not limited to, information about the members of the internationally active  
516 insurance group regarding governance, risk assessment and management; capital adequacy; and  
517 material intercompany transactions;

518 (iii) coordinate and, through the authority of the regulatory officials of the jurisdictions  
519 where members of the internationally active insurance group are domiciled, compel development  
520 and implementation of reasonable measures designed to ensure that the internationally active  
521 insurance group is able to timely recognize and mitigate enterprise risks to members of such  
522 internationally active insurance group that are engaged in the business of insurance;

523 (iv) communicate with other state, federal and international regulatory agencies for  
524 members within the internationally active insurance group and share relevant information subject

525 to the confidentiality provisions of subsection (v), through supervisory colleges as set forth in  
526 subsection (x) or otherwise;

527 (v) enter into agreements with or obtain documentation providing the basis for or  
528 otherwise clarifying the commissioner's role as group-wide supervisor, including provisions for  
529 resolving disputes with other regulatory officials from: any insurer registered under subsection  
530 (a), any member of the internationally active insurance group and any other state, federal and  
531 international regulatory agencies for members of the internationally active insurance group. Said  
532 agreements or documentation shall not serve as evidence that an insurer or person within an  
533 insurance holding company system not domiciled or incorporated in the commonwealth is doing  
534 business in the commonwealth or is otherwise subject to jurisdiction in this state in any  
535 proceeding; and

536 (vi) other group-wide supervision activities, consistent with the authorities and purposes  
537 enumerated in this paragraph, as considered necessary by the commissioner.

538 (6) If the commissioner acknowledges that another regulatory official from a jurisdiction  
539 that is not accredited by a standard-setting, regulatory support industry organization is the group-  
540 wide supervisor, the commissioner may reasonably cooperate, through supervisory colleges or  
541 otherwise, with group-wide supervision undertaken by the group-wide supervisor, provided that:  
542 (i) the commissioner's cooperation is in compliance with the laws of the commonwealth; and (ii)  
543 the regulatory official acknowledged as the group-wide supervisor also recognizes and  
544 cooperates with the commissioner's activities as a group-wide supervisor for other  
545 internationally active insurance groups where applicable. If such recognition and cooperation is  
546 not reasonably reciprocal, the commissioner may refuse recognition and cooperation.

547 (7) The commissioner may enter into agreements with or obtain documentation from any  
548 insurer registered under subsection (a), any affiliate of said insurer and other state, federal and  
549 international regulatory agencies for members of the internationally active insurance group that  
550 provide the basis for or otherwise clarify a regulatory official's role as group-wide supervisor.

551 (8) A registered insurer subject to this subsection shall be liable for and shall pay the  
552 reasonable expenses of the commissioner's participation in the administration of this subsection,  
553 including the engagement of attorneys, actuaries and any other professionals and all reasonable  
554 travel expenses.

555 SECTION 31. Said chapter 175 is hereby further amended by adding the following  
556 section:-

557 Section 230. Notwithstanding any general or special law to the contrary, chapter 176W  
558 shall apply to insurers governed by this chapter.

559 SECTION 32. Chapter 176 of the General Laws is hereby amended by inserting after  
560 section 1A the following section:-

561 Section 1B. Notwithstanding any general or special law to the contrary, chapter 176W  
562 shall apply to fraternal benefit societies governed by this chapter.

563 SECTION 33. Section 18 of chapter 176A of the General Laws, as appearing in the 2016  
564 Official Edition, is hereby amended by adding the following paragraph:-

565 Notwithstanding any general or special law to the contrary, chapter 176W shall apply to  
566 every corporation subject to this chapter.

567 SECTION 34. Chapter 176B of the General Laws is hereby amended by inserting after  
568 section 8B the following section:-

569 Section 8C. Notwithstanding any general or special law to the contrary, chapter 176W  
570 shall apply to a medical service corporation governed by this chapter.

571 SECTION 35. Chapter 176E of the General Laws is hereby amended by inserting after  
572 section 8B the following section:-

573 Section 8C. Notwithstanding any general or special law to the contrary, chapter 176W  
574 shall apply to a dental service corporation governed by this chapter.

575 SECTION 36. Chapter 176F of the General Laws is hereby amended by inserting after  
576 section 8A the following section:-

577 Section 8B. Notwithstanding any general or special law to the contrary, chapter 176W  
578 shall apply to an optometric service corporation governed by this chapter.

579 SECTION 37. Chapter 176G of the General Laws is hereby amended by inserting after  
580 section 10A the following section:-

581 Section 10B. Notwithstanding any general or special law to the contrary, chapter 176W  
582 shall apply to a health maintenance organization governed by this chapter.

583 SECTION 38. Chapter 176H of the General Laws is hereby amended by inserting after  
584 section 13A the following section:-

585 Section 13B. Notwithstanding any general or special law to the contrary, chapter 176W  
586 shall apply to legal services plans governed by this chapter.

587 SECTION 39. Section 6 of chapter 176O of the General Laws, as appearing in the 2016  
588 Official Edition, is hereby amended by striking out, in lines 36 to 37 and 102 to 103, in each  
589 instance, the words “and the involuntary disenrollment rate among insureds of the carrier”.

590 SECTION 40. Section 21 of said chapter 176O, as so appearing, is hereby amended by  
591 striking out subsection (a).

592 SECTION 41. Subsection (b) of said section 21 of said chapter 176O, as so appearing, is  
593 hereby amended by striking out paragraph (2) and inserting in place thereof the following  
594 paragraph:-

595 (2) Any carrier which provides administrative services to 1 or more self-insured groups  
596 shall submit to the division a report including the following information:

597 (i) the number of the carrier's self-insured customers;

598 (ii) the aggregate number of members, as defined in section 1 of chapter 176J, in all of  
599 the carrier's self-insured customers;

600 (iii) the aggregate number of lives covered in all of the carrier's self-insured customers;

601 (iv) the percentage of the carrier's self-insured customers that include each of the benefits  
602 mandated for health benefit plans under chapters 175, 176A, 176B and 176G; and

603 (v) any other information deemed necessary by the commissioner.

604 SECTION 42. Subsection (d) of said section 21 of said chapter 176O, as so appearing, is  
605 hereby amended by striking out the first sentence and inserting in place thereof the following  
606 sentence:-

607 If, for any year, the division determines, based on the report submitted under section 10  
608 of chapter 176G or other sources, that a carrier has a risk-based capital ratio on a combined entity  
609 basis that exceeds 700 per cent, the division shall hold a public hearing within 60 days.

610 SECTION 43. Chapter 176P of the General Laws is hereby amended by inserting after  
611 section 38A the following section:-

612 Section 38B. Notwithstanding any general or special law to the contrary, chapter 176W  
613 shall apply to a limited society governed by this chapter.

614 SECTION 44. The General Laws are hereby amended by inserting after chapter 176V the  
615 following chapter:-

616 CHAPTER 176W.

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

619 “Commissioner”, the commissioner of insurance.

620 “Corporate Governance Annual Disclosure (CGAD)”, a confidential report filed by the  
621 insurer or insurance group made in accordance with the requirements of this chapter.

622 “Division”, the division of insurance.

623 “Insurance group”, those insurers and affiliates included within an insurance holding  
624 company system as defined in section 206 of chapter 175; health maintenance organizations and  
625 affiliates included within a health maintenance organization holding company system, as defined  
626 in section 1 of chapter 176G; public employer self-insurance groups and their affiliates organized

627 pursuant to chapter 40M; workers compensation self-insurance groups and their affiliates  
628 organized pursuant to sections 25E to 25U, inclusive, of chapter 152; fraternal benefit societies  
629 and their affiliates organized pursuant to chapter 176; non-profit hospital service corporations  
630 and their affiliates organized pursuant to chapter 176A; medical service corporations and their  
631 affiliates organized pursuant to chapter 176B; dental service corporations and their affiliates  
632 organized pursuant to chapter 176E; optometric service corporations and their affiliates  
633 organized pursuant to chapter 176F; insured legal services plans and their affiliates organized  
634 pursuant to chapter 176H; and limited societies and their affiliates organized pursuant to chapter  
635 176P.

636 “Insurer”, the same meaning as in section 1 of chapter 175 and shall also include public  
637 employer self-insurance groups organized pursuant to chapter 40M; workers compensation self-  
638 insurance groups organized pursuant to sections 25E to 25U, inclusive, of chapter 152; fraternal  
639 benefit societies organized pursuant to chapter 176; non-profit hospital service corporations  
640 organized pursuant to chapter 176A; medical service corporations organized pursuant to chapter  
641 176B; dental services corporations organized pursuant to chapter 176E; optometric service  
642 corporations organized pursuant to chapter 176F; health maintenance organizations organized  
643 pursuant to chapter 176G; insured legal services plans organized pursuant to chapter 176H; and  
644 limited societies organized pursuant to chapter 176P; except that “insurer” shall not include  
645 agencies, authorities or instrumentalities of the United States, its possessions and territories, the  
646 commonwealth of Puerto Rico, the District of Columbia or a state or political subdivision of a  
647 state.

648 “ORSA summary report”, the report filed in accordance with chapter 176V.



649           Section 2. (a) An insurer, or the insurance group of which the insurer is a member, shall,  
650 no later than June 1 of each calendar year, submit to the commissioner a CGAD that contains the  
651 information described in subsection (a) of section 4. Notwithstanding any request from the  
652 commissioner made pursuant to subsection (c), if the insurer is a member of an insurance group,  
653 the insurer shall submit the report required by this section to the commissioner of the lead state  
654 for the insurance group, in accordance with the laws of the lead state.

655           (b) The CGAD shall include a signature of the insurer's or insurance group's chief  
656 executive officer or corporate secretary attesting to the best of that individual's belief and  
657 knowledge that the insurer has implemented the corporate governance practices and that a copy  
658 of the disclosure has been provided to the insurer's board of directors or the appropriate  
659 committee thereof.

660           (c) An insurer not required to submit a CGAD under this section shall do so upon the  
661 commissioner's request.

662           (d) For purposes of completing the CGAD, the insurer or insurance group may provide  
663 information regarding corporate governance at the ultimate controlling parent level, an  
664 intermediate holding company level or the individual legal entity level, depending upon how the  
665 insurer or insurance group has structured its system of corporate governance. The insurer or  
666 insurance group is encouraged to make the CGAD disclosures at the level at which the insurer's  
667 or insurance group's risk appetite is determined, or at which the earnings, capital, liquidity,  
668 operations and reputation of the insurer are overseen collectively and at which the supervision of  
669 those factors are coordinated and exercised, or the level at which legal liability for failure of  
670 general corporate governance duties would be placed. If the insurer or insurance group

671 determines the level of reporting based on these criteria, it shall indicate which of the 3 criteria  
672 was used to determine the level of reporting and explain any subsequent changes in the level of  
673 reporting.

674 (e) Insurers providing information substantially similar to the information required by  
675 this chapter in other documents provided to the commissioner, including proxy statements filed  
676 in conjunction with Form B requirements pursuant to section 206C of chapter 175, or other state  
677 or federal filings provided to the division, shall not be required to duplicate that information in  
678 the CGAD, but shall only be required to cross reference the document in which the information  
679 is included.

680 Section 3. The commissioner may, upon notice and opportunity for all interested persons  
681 to be heard, issue such rules, regulations and orders as shall be necessary to carry out the  
682 provisions of this chapter.

683 Section 4. (a) The insurer or insurance group shall have discretion over the responses to  
684 the CGAD inquiries, provided the CGAD shall contain the material information necessary to  
685 permit the commissioner to gain an understanding of the insurer's or group's corporate  
686 governance structure, policies and practices. The commissioner may request additional  
687 information that he or she deems material and necessary to provide the commissioner with a  
688 clear understanding of the corporate governance policies, the reporting or information system or  
689 controls implementing those policies.

690 Section 5. (a) Documents, materials or other information including the CGAD, in the  
691 possession or control of the division that are obtained by, created by or disclosed to the  
692 commissioner or any other person under this chapter shall be proprietary and recognized to

693 contain trade secrets. All such documents, materials or other information shall be confidential by  
694 law and privileged, shall not be considered a public record pursuant to section 10 of chapter 66,  
695 shall not be subject to subpoena and shall not be subject to discovery or admissible in evidence  
696 in any private civil action. However, the commissioner may use the documents, materials or  
697 other information in the furtherance of any regulatory or legal action brought as a part of the  
698 commissioner's official duties. The commissioner shall not otherwise make the documents,  
699 materials or other information public without the prior written consent of the insurer. Nothing in  
700 this section shall require written consent of the insurer before the commissioner may share or  
701 receive confidential documents, materials or other CGAD-related information pursuant to  
702 subsection (c) to assist in the performance of the commissioner's regular duties.

703 (b) Neither the commissioner nor any person who received documents, materials or other  
704 CGAD-related information, through examination or otherwise, while acting under the authority  
705 of the commissioner, or with whom such documents, materials or other information are shared  
706 pursuant to this chapter shall be permitted or required to testify in any private civil action  
707 concerning any confidential documents, materials or information subject to subsection (a).

708 (c) In order to assist in the performance of the commissioner's regulatory duties, the  
709 commissioner may:

710 (i) upon request, share documents, materials or other CGAD-related information  
711 including the confidential and privileged documents, materials or information subject to  
712 subsection (a), including proprietary and trade secret documents and materials with other state,  
713 federal and international financial regulatory agencies, including members of any supervisory  
714 college as defined in subsection (x) of section 206C of chapter 175, and with third party

715 consultants pursuant to section 6, provided that the recipient agrees in writing to maintain the  
716 confidentiality and privileged status of the CGAD-related documents, material or other  
717 information and has verified in writing the legal authority to maintain confidentiality; and

718 (ii) receive documents, materials or other CGAD-related information, including  
719 otherwise confidential and privileged documents, materials or information, including proprietary  
720 and trade-secret information or documents, from regulatory officials of other state, federal and  
721 international financial regulatory agencies, including members of any supervisory college as  
722 defined in said subsection (x) of said section 206C of said chapter 175, and shall maintain as  
723 confidential or privileged any documents, materials or information received with notice or the  
724 understanding that it is confidential or privileged under the laws of the jurisdiction that is the  
725 source of the document, material or information.

726 (d) The sharing of information and documents by the commissioner pursuant to this  
727 chapter shall not constitute a delegation of regulatory authority or rulemaking, and the  
728 commissioner is solely responsible for the administration, execution and enforcement of the  
729 provisions of this chapter.

730 (e) No waiver of any applicable privilege or claim of confidentiality in the documents,  
731 proprietary and trade-secret materials or other CGAD-related information shall occur as a result  
732 of disclosure of such CGAD-related information or documents to the commissioner under this  
733 section or as a result of sharing as authorized in this chapter.

734 Section 6. (a) The commissioner may retain, at the insurer's expense, third-party  
735 consultants, including attorneys, actuaries, accountants and other experts not otherwise a part of

736 the commissioner's staff as may be reasonably necessary to assist the commissioner in reviewing  
737 the CGAD and related information or the insurer's compliance with this chapter.

738 (b) Any persons retained under subsection (a) shall be under the direction and control of  
739 the commissioner and shall act in a purely advisory capacity.

740 (c) Third-party consultants shall be subject to the same confidentiality standards and  
741 requirements as the commissioner.

742 (d) As part of the retention process, a third-party consultant shall verify to the  
743 commissioner, with notice to the insurer, that it is free of a conflict of interest and that it has  
744 internal procedures in place to monitor compliance with a conflict and to comply with the  
745 confidentiality standards and requirements of this chapter.

746 (e) A written agreement with a third-party consultant governing sharing and use of  
747 information provided pursuant to this chapter shall contain the following provisions and  
748 expressly require the written consent of the insurer prior to making public information provided  
749 under this chapter:

750 (i) specific procedures and protocols for maintaining the confidentiality and security of  
751 CGAD-related information shared with a third-party consultant pursuant to this chapter;

752 (ii) procedures and protocols for sharing only with other state regulators from states in  
753 which the insurance group has domiciled insurers. The agreement shall provide that the recipient  
754 agrees in writing to maintain the confidentiality and privileged status of the CGAD-related  
755 documents, materials or other information and has verified in writing the legal authority to  
756 maintain confidentiality;

757 (iii) a provision specifying that ownership of the CGAD-related information shared with  
758 a third-party consultant shall remain with the division and the third-party consultant's use of the  
759 information is subject to the direction of the commissioner;

760 (iv) a provision that prohibits the third-party consultant from storing the information  
761 shared pursuant to this chapter in a permanent database after the underlying analysis is  
762 completed;

763 (v) a provision requiring the third-party consultant to provide prompt notice to the  
764 commissioner and to the insurer or insurance group regarding any subpoena, request for  
765 disclosure, or request for production of the insurer's CGAD-related information; and

766 (vi) a requirement that the third-party consultant consent to intervention by an insurer in  
767 any judicial or administrative action in which the third-party consultant may be required to  
768 disclose confidential information about the insurer shared with the third-party consultant  
769 pursuant to this chapter.

770 Section 7. Any insurer failing, without just cause, to timely file the CGAD as required  
771 pursuant to this chapter shall, after notice and hearing, be subject to a penalty of \$500 for each  
772 day of delay, to be recovered by the commissioner. The maximum penalty under this section is  
773 \$10,000. The commissioner may reduce the penalty if the insurer demonstrates to the  
774 commissioner that the imposition of the penalty would constitute a financial hardship to the  
775 insurer.

776 Section 8. If any provision of this chapter except for section 5, or the application thereof  
777 to any person or circumstance, is held invalid, such determination shall not affect the provisions

778 or applications of this chapter which can be given effect without the invalid provision or  
779 application, and to that end the provisions of this chapter, except for section 5, are severable.

780 SECTION 45. Section 135 of chapter 219 of the acts of 2016 is hereby amended by  
781 striking out the words “from August 1, 2016 to July 31, 2018, inclusive,”.

782 SECTION 46. Notwithstanding any general or special law to the contrary, in fiscal years  
783 2019 to 2025, inclusive, the office of Medicaid shall allocate \$1,000,000 annually for a Fishing  
784 Partnership Health Plan Corporation project that shall provide services to fishermen and fishing  
785 families; provided, however, that such services shall include, but not be limited to, assisting  
786 fishermen and fishing families in obtaining health insurance coverage.

787 SECTION 47. Notwithstanding any general or special law to the contrary, the  
788 Massachusetts Technology Park Corporation, established in section 3 of chapter 40J of the  
789 General Laws and doing business as the Massachusetts Technology Collaborative, shall conduct  
790 a study on the autonomous vehicles industry and issue recommendations on how to advance the  
791 state’s competitiveness in the emerging industry. The study shall include, but not be limited to,  
792 cybersecurity, data privacy, data analytics, artificial intelligence, the internet of things,  
793 navigational software, robotics, advanced manufacturing, and other emerging technologies  
794 related to autonomous vehicles. The study shall examine ways to accommodate research and  
795 development in a safe and productive manner. The Massachusetts Technology Collaborative may  
796 conduct this study in collaboration with relevant stakeholders, including but not limited to, the  
797 insurance industry, municipalities, institutions of higher education, automobile manufacturers,  
798 technology companies, policymakers, and other entities deemed necessary and relevant. The  
799 recommendations shall provide ways for the state to improve on its strengths and weaknesses

800 through policies, strategies and initiatives to create new or stronger working relationships  
801 between key institutions, agencies, organizations and businesses. The study and  
802 recommendations shall be submitted to the joint committee on economic development and  
803 emerging technologies and the joint committee on transportation no later than December 31,  
804 2019.

805 SECTION 48. Notwithstanding any general or special law to the contrary, to meet the  
806 expenditures necessary in carrying out section 2A, the state treasurer shall, upon receipt of a  
807 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified  
808 by the governor from time to time but not exceeding, in the aggregate, \$441,250,000. All bonds  
809 issued by the commonwealth, as aforesaid, shall be designated on their face “Commonwealth  
810 Economic Development Act of 2018”, and shall be issued for a maximum term of years, not  
811 exceeding 30 years, as the governor may recommend to the general court pursuant to section 3 of  
812 Article LXII of the Amendments to the Constitution; provided, however, that all such bonds shall  
813 be payable not later than June 30, 2053. All interest and payments on account of principal on  
814 such obligations shall be payable from the General Fund. Bonds and interest thereon issued  
815 under the authority of this section shall, notwithstanding any other provision of this act, be  
816 general obligations of the commonwealth.

817 SECTION 49. Notwithstanding any general or special law to the contrary, to meet the  
818 expenditures necessary in carrying out section 2B, the state treasurer shall, upon receipt of a  
819 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified  
820 by the governor from time to time but not exceeding, in the aggregate, \$225,000,000. All bonds  
821 issued by the commonwealth, as aforesaid, shall be designated on their face “Commonwealth  
822 Economic Development Act of 2018”, and shall be issued for a maximum term of years, not



823 exceeding 30 years, as the governor may recommend to the general court pursuant to section 3 of  
824 Article LXII of the Amendments to the Constitution; provided, however, that all such bonds shall  
825 be payable not later than June 30, 2053. All interest and payments on account of principal on  
826 such obligations shall be payable from the General Fund. Bonds and interest thereon issued  
827 under the authority of this section shall, notwithstanding any other provision of this act, be  
828 general obligations of the commonwealth.

829 SECTION 50. Sections 11, 23 to 38, inclusive, and 43 to 44, inclusive, shall take effect  
830 90 days after the passage of this act.

831 SECTION 51. Sections 4 to 7, inclusive, 12 to 15, inclusive, and 17 to 20, inclusive, shall  
832 take effect on January 1, 2019 and shall be effective for all tax years beginning on or after  
833 January 1, 2019.

834 SECTION 52. Sections 16 and 21 shall take effect on January 1, 2022.

835 SECTION 53. Except as otherwise specified, this act shall take effect upon its passage.