

**SENATE . . . . . No. 2622**

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**The Commonwealth of Massachusetts**

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

SENATE, July 23, 2018

The committee on Bonding, Capital Expenditures and State Assets, to whom was referred the House Bill relative to economic development in the commonwealth (House, No. 4732); reports, recommending that the same ought to pass with an amendment striking out all after the enacting clause and inserting in place thereof the text of Senate document numbered 2622.

[Bond authorization: \$671,250,000]

For the committee,  
John F. Keenan

**The Commonwealth of Massachusetts**

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

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..... \$55,000,000

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

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

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

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

132 Section 10B. The secretary of housing and economic development shall establish a  
133 Massachusetts advanced manufacturing collaborative, hereinafter referred to as the collaborative,  
134 within the executive office of housing and economic development, which shall be responsible for  
135 advising and assisting on the development, implementation and periodic update of a plan to  
136 foster and strengthen the conditions necessary for growth and innovation of manufacturing  
137 within the commonwealth. The collaborative shall include, but not be limited to: the secretary of  
138 housing and economic development, or a designee, who shall serve as chair; the secretary of  
139 labor and workforce development, or a designee; 1 person who shall be appointed by the speaker  
140 of the house of representatives; 1 person who shall be appointed by the president of the senate;  
141 the director of the office of business development; the executive director of the Massachusetts  
142 clean energy center; the executive director of the Massachusetts Life Sciences Center; the  
143 executive director of the John Adams Innovation Institute; the executive director of the  
144 Massachusetts Technology Transfer Center; the president of the Massachusetts Manufacturing  
145 Extension Partnership, Inc.; a representative from the Associated Industries of Massachusetts,  
146 Inc.; a representative from the Massachusetts Workforce Board Association; a representative  
147 from the Massachusetts Development Finance Agency; a representative from the Massachusetts  
148 Technology Park Corporation; a representative from a local chamber of commerce appointed by



149 the governor; and 8 members appointed by the governor to represent the commonwealth's large  
150 manufacturers, small-to-medium sized enterprises, incubators, innovation centers and federally-  
151 funded research and development centers. The collaborative shall: (i) consult with stakeholders  
152 in the public and private sector in the development and implementation of the commonwealth's  
153 manufacturing plan; (ii) identify emerging priorities within the commonwealth's manufacturing  
154 sector in order to make recommendations for high impact projects and initiatives; (iii) facilitate  
155 the implementation of goals established under the plan; and (iv) develop a statewide certification  
156 process for the advanced manufacturing industry with the goal of establishing uniform industry  
157 workforce standards across the commonwealth. The collaborative may establish working groups  
158 that aid in the development and implementation of the plan.

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

161 (3) To provide grants for pipeline training for unemployed persons by an employer with a  
162 job vacancy; provided that, the director shall not allocate more than 5 per cent of the annual  
163 capitalization of the fund to provide for such grants. In determining who shall receive the grants,  
164 the director shall contract with the Commonwealth Corporation to distribute the grants in a need-  
165 based, competitive process in accordance with the rules and parameters outlined in section  
166 2WWW of chapter 29. The grants shall be performance based; with 50% paid upon enrollment in  
167 the program, and the balance to be paid contingent on job placement and retention outcomes;  
168 provided that for the purpose of this section, job placement shall mean placement in a training  
169 related position requiring at least 30 hours per week; further, retention outcomes shall mean  
170 placement in said position for at least two months. To further support pipeline training, and to  
171 match the substantial contributions made from employers to the fund, the commonwealth shall

172 match, subject to appropriation, dollar for dollar, any monies used for grants pursuant to this  
173 paragraph.

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

176 Section 4H. (a) In order to grow the cybersecurity industry cluster in the commonwealth  
177 and protect against cybersecurity threats, there is hereby established and set up on the books of  
178 the corporation the Massachusetts Cybersecurity Innovation Fund, hereinafter referred to as the  
179 fund, to which shall be credited the proceeds of any bonds or notes of the commonwealth issued  
180 for the purpose, and any appropriations designated by the general court to be credited thereto.  
181 The fund shall be administered by the corporation. The corporation shall hold the fund in an  
182 account or accounts separate from other funds of the corporation. The purpose of the fund shall  
183 be to: (i) support facilities, hardware and software used to develop or test cybersecurity solutions  
184 and enable the growth of innovative ideas to address cybersecurity threats; (ii) accelerate the  
185 growth of the cybersecurity cluster and related clusters; (iii) expand employment opportunities  
186 and address talent pipeline needs in the cybersecurity industry and related industries for the  
187 residents of the commonwealth, including, but not limited to, women, minorities, veterans, and  
188 unemployed and underemployed individuals, through workforce training; (iv) match public and  
189 private universities with industry participants to develop cybersecurity technology and expand  
190 other relevant capabilities; and (v) promote the development and implementation of educational  
191 programs within the commonwealth's public schools, kindergarten to grade 12, inclusive, and  
192 public institutions of higher education through collaboration with Massachusetts Computing  
193 Attainment Network.

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

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

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

202 SECTION 13. Section 6 of said chapter 62 is hereby amended by inserting after the  
203 words ““EDIP contract””, in line 149, as so appearing, the following words:- , “extraordinary  
204 economic development opportunity”.

205 SECTION 14. Paragraph (3) of said subsection (g) of said section 6 of said chapter 62, as  
206 so appearing, is hereby further amended by inserting after the second sentence the following  
207 sentence:- Notwithstanding the cap set forth in this paragraph, the EACC may authorize an  
208 additional \$20,000,000 in EDIP tax credits to any project designated as an extraordinary  
209 economic development opportunity in accordance with subsection (e) of section 3C of chapter  
210 23A; provided that if such designation and authorization occurs, the total amount of EDIP tax  
211 credits awarded by the EACC pursuant to this subsection and section 38N of chapter 63 shall not  
212 exceed \$50,000,000 in a calendar year.

213 SECTION 15. Said section 6 of said chapter 62, as most recently amended by section 6 of  
214 chapter 99 of the acts of 2018, is hereby further amended by adding the following subsection:-

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

228                     (2) To be eligible for a credit under this subsection: (a) the primary place of  
229 employment of the apprentice must be in the commonwealth; (b) the business must be registered  
230 with the division of apprentice standards as an apprenticeship program sponsor and have an  
231 apprentice agreement, as defined in section 11H of chapter 23, with each apprentice for whom  
232 the credit is claimed; and (c) the apprentice must have been employed as an apprentice by the  
233 business for at least 180 calendar days in the taxable year in which the credit is claimed.

234                     (3) An employer that is eligible for and claims the credit allowed under this  
235 subsection in a taxable year with respect to a qualified apprentice shall be eligible for a credit in  
236 the subsequent taxable year with respect to such qualified apprentice, subject to certification by  
237 the division of apprentice standards of continued employment as an apprentice during the

238 subsequent taxable year in the manner required by the commissioner. Any credit allowed under  
239 this subsection shall not be transferable

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

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

248 (6) The secretaries of labor and workforce development and administration and  
249 finance, acting jointly and in writing shall authorize tax credits pursuant to this subsection and  
250 section 38HH of chapter 63. The total amount of credits that may be authorized in a calendar  
251 year pursuant to this subsection and said section 38HH of said chapter 63 shall not exceed  
252 \$2,500,000. No credits shall be allowed under this subsection except to the extent authorized in  
253 this paragraph. The commissioner, after consulting with the secretaries, on the criteria set forth in  
254 paragraphs (1) and (2) of this subsection, shall adopt regulations governing applications for and  
255 other administration of the tax credits. The secretaries and the division of apprentice standards  
256 shall provide the commissioner with the documentation that the commissioner deems necessary  
257 to confirm compliance with the annual cap.

258 (7) The commissioner, in consultation with the secretaries, shall annually, not  
259 later than March 1, file a report with the house and senate committees on ways and means, the

260 joint committee on economic development and emerging technologies, and the joint committee  
261 on labor and workforce development, identifying the following: (i) total amount of tax credits  
262 claimed pursuant to this subsection; (ii) the number of participating apprentices and relevant  
263 wage information; (iii) the number of applications received and the number of participating  
264 employers; (iv) the areas of occupation by qualifying tax credit beneficiaries; (v) program  
265 outcomes for apprentices, including job retention and further employment opportunities; and (vi)  
266 whether the tax credit program is achieving its public policy purpose to create talent pipelines for  
267 businesses and provide career pathways toward high demand occupations for unemployed and  
268 underemployed residents of the commonwealth.

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

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

274 SECTION 18. The first paragraph of subsection (c) of said section 38N of said chapter  
275 63, as so appearing, is hereby amended by adding the following sentence:- Notwithstanding the  
276 cap set forth in this paragraph, the EACC may authorize an award of an additional \$20,000,000  
277 in EDIP tax credits to any project designated as an extraordinary economic development  
278 opportunity in accordance with subsection (e) of section 3C of chapter 23A; provided that that if  
279 such designation and authorization occurs, the total amount of EDIP tax credits awarded by the  
280 EACC pursuant to this section and subsection (g) of section 6 of chapter 62 shall not exceed  
281 \$50,000,000 in a calendar year.

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

285 SECTION 20. Said chapter 63 is hereby further amended by inserting after section  
286 38GG, inserted by section 35 of chapter 47 of the acts of 2017, the following section:-

287 Section 38HH.

288 (a) A business corporation engaged in business in the commonwealth shall be allowed a  
289 credit against its excise due under this chapter in an amount equal to \$4,800 or 50 per cent of the  
290 wages paid to each qualified apprentice in a taxable year, whichever is less. If a credit allowed  
291 by this section exceeds the tax otherwise due under this chapter, 100 per cent of the balance of  
292 such credit may, at the option of the taxpayer, be refundable to the taxpayer. In order to qualify,  
293 the apprentice must meet the definition of apprentice in section 11H of chapter 23 and must be  
294 hired and trained in 1 of the following occupations, as defined by the Bureau of Labor Statistics:  
295 computer occupations, as defined by Standard Occupational Codes 15-1200; health technologists  
296 and technicians, as defined by Standard Occupational Codes 29-2000; health practitioner support  
297 technologists and technicians, as defined by Standard Occupational Codes 29-2050; healthcare  
298 support occupations, as defined by Standard Occupational Codes 31-0000; or production  
299 occupations if employed in the manufacturing industry, as defined by Standard Occupational  
300 Codes 51-0000, NAICS code 31-33.

301 (b) To be eligible for a credit under this section: (i) the primary place of employment of  
302 the apprentice must be in the commonwealth; (ii) the business corporation must be registered  
303 with the division of apprentice standards as an apprenticeship program sponsor and have an

304 apprentice agreement, as defined in section 11H of chapter 23, with each apprentice for whom  
305 the credit is claimed; and (iii) the apprentice must have been employed by the business  
306 corporation as an apprentice for at least 180 calendar days in the taxable year in which the credit  
307 is claimed.

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

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

318 (e) The secretaries of labor and workforce development and administration and finance,  
319 acting jointly and in writing shall authorize tax credits pursuant to this section and subsection (v)  
320 of section 6 of chapter 62. The total amount of credits that may be authorized in a calendar year  
321 pursuant to this section and said subsection (v) of said section 6 of said chapter 62 shall not  
322 exceed \$2,500,000. No credits shall be allowed under this section except to the extent authorized  
323 in this subsection. The commissioner, after consulting with the secretaries, on the criteria set  
324 forth in subsections (a) and (b) of this section, shall adopt regulations governing applications for  
325 and other administration of the tax credits. The secretaries and the division of apprentice



326 standards shall provide the commissioner with the documentation that the commissioner deems  
327 necessary to confirm compliance with the annual cap.

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

339 SECTION 21. Section 38HH of said chapter 63, inserted by section 20, is hereby  
340 repealed.

341 SECTION 22. Section 14L of chapter 151A of the General Laws, as so appearing, is  
342 hereby amended by inserting after subsection (b) the following subsection:-

343 (c) Annually, not later than September 1 of each year, the director of the department of  
344 career services shall file a report with the joint committee on labor and workforce development  
345 and the house and senate committees on ways and means concerning the collection of the  
346 workforce training contributions, pursuant to subsection (a), during the calendar year ending on  
347 the preceding December 31. The report shall include, but not be limited to, (1) the amount

348 collected in each quarter and the total amount collected for the year; (2) the total number of  
349 employers that contributed to the fund and the total number of employees employed by that  
350 group of employers; and (3) the contribution rate, to the extent it differs from 0.056 per cent.

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

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

356 Section 25W. Notwithstanding any general or special law to the contrary, chapter 176W  
357 shall apply to groups governed by sections 25E to 25U of this chapter.

358 SECTION 25. Chapter 166A of the General Laws is hereby amended by adding  
359 following section:-

360 Section 23. (a) A cable television operator shall provide a public, educational or  
361 governmental access channel and connection so that the channel is delivered, and subscribers  
362 receive, the public, educational or governmental access channel with a good quality signal and in  
363 the same format as the primary local broadcast signals, including a high definition format and a  
364 standard digital format if such formats are so delivered and received by subscribers for the  
365 primary local broadcast signals; provided, however, a cable television operator shall not be  
366 required to provide the signal of a public, educational or governmental access channel to a  
367 subscriber on any particular channel number or to provide such signals in any particular order.

368 (b) A cable television operator shall provide a public, educational or governmental access  
369 channel in a nondiscriminatory manner on any navigational device, on-screen program guide or  
370 menu such that a subscriber may access the public, educational or governmental access channel  
371 in the same manner as local broadcast channels.

372 (c) For the purpose of this section, a cable television operator shall include a cable  
373 operator and a multichannel video programming distributor as defined in 47 U.S.C. 522.

374 (d) Nothing in this section shall prohibit, condition or restrict a cable television operator's  
375 use of any type of subscriber equipment or any transmission technology.

376 SECTION 26. Subsection (1) of section 20A of chapter 175 of the General Laws, as  
377 appearing in the 2016 Official Edition, is hereby amended by adding the following 2  
378 paragraphs:—

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

382 (i) The commissioner must give the reinsurer notice and opportunity for hearing.  
383 The suspension or revocation may not take effect until after the commissioner's order on  
384 hearing, unless:

385 (a) The reinsurer waives its right to hearing;

386 (b) The commissioner's order is based on regulatory action by the  
387 reinsurer's domiciliary jurisdiction or the voluntary surrender or termination of the reinsurer's  
388 eligibility to transact insurance or reinsurance business in its domiciliary jurisdiction or in the

389 primary certifying state of the reinsurer under subparagraph (vi) of paragraph (E) of this  
390 subsection; or

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

393 (ii) While a reinsurer's accreditation or certification is suspended, no reinsurance  
394 contract issued or renewed after the effective date of the suspension qualifies for credit except to  
395 the extent that the reinsurer's obligations under the contract are secured in accordance with  
396 subsection (2) of this section. If a reinsurer's accreditation or certification is revoked, no credit  
397 for reinsurance may be granted after the effective date of the revocation except to the extent that  
398 the reinsurer's obligations under the contract are secured in accordance with subparagraph (v) of  
399 paragraph (E) of this subsection or subsection (2) of this section.

400 (J)

401 (i) A ceding insurer shall take steps to manage its reinsurance recoverables  
402 proportionate to its own book of business. A domestic ceding insurer shall notify the  
403 commissioner within 30 days after reinsurance recoverables from any single assuming insurer, or  
404 group of affiliated assuming insurers, exceeds 50 per cent of the domestic ceding insurer's last  
405 reported surplus to policyholders, or after it is determined that reinsurance recoverables from any  
406 single assuming insurer, or group of affiliated assuming insurers, is likely to exceed this limit.  
407 The notification shall demonstrate that the exposure is safely managed by the domestic ceding  
408 insurer.

409 (ii) A ceding insurer shall take steps to diversify its reinsurance program. A  
410 domestic ceding insurer shall notify the commissioner within 30 days after ceding to any single

411 assuming insurer, or group of affiliated assuming insurers, more than 20 per cent of the ceding  
412 insurer's gross written premium in the prior calendar year, or after it has determined that the  
413 reinsurance ceded to any single assuming insurer, or group of affiliated assuming insurers, is  
414 likely to exceed this limit. The notification shall demonstrate that the exposure is safely  
415 managed by the domestic ceding insurer.

416 SECTION 27. Said section 20A of said chapter 175, as so appearing, is hereby further  
417 amended by striking out subsection (5) and inserting in place thereof the following subsection:-

418 (5) (A) The commissioner may in accordance with the provisions of chapter 30A,  
419 after notice and hearing, promulgate reasonable rules and regulations necessary to effectuate the  
420 provisions of this section.

421 (B) The commissioner is further authorized to adopt rules and regulations  
422 applicable to reinsurance arrangements described in subparagraph (i) of paragraph (B) of this  
423 subsection.

424 (i) A regulation adopted pursuant to paragraph (B) of this subsection, may apply only to  
425 reinsurance relating to:

426 (a) Life insurance policies with guaranteed nonlevel gross premiums or  
427 guaranteed nonlevel benefits;

428 (b) Universal life insurance policies with provisions resulting in the ability of a  
429 policyholder to keep a policy in force over a secondary guarantee period;

430 (c) Variable annuities with guaranteed death or living benefits;

431 (d) Long-term care insurance policies; or

432 (e) Such other life and health insurance and annuity products as to which the  
433 NAIC adopts model regulatory requirements with respect to credit for reinsurance.

434 (ii) A regulation adopted pursuant to clauses (a) and (b) of subparagraph (i) of paragraph  
435 (B) of this subsection may apply to any treaty containing:

436 (a) Policies issued on or after January 1, 2015, and/or

437 (b) Policies issued prior to January 1, 2015, if risk pertaining to such pre-2015  
438 policies is ceded in connection with the treaty, in whole or in part, on or after January 1, 2015.

439 (iii) A regulation adopted pursuant to paragraph (B) of this subsection may require the  
440 ceding insurer, in calculating the amounts or forms of security required to be held under  
441 regulations promulgated under this authority, to use the Valuation Manual adopted by the NAIC  
442 under Section 11B(1) of the NAIC Standard Valuation Law, including all amendments adopted  
443 by the NAIC and in effect on the date as of which the calculation is made, to the extent  
444 applicable.

445 (iv) A regulation adopted pursuant to this paragraph (B) of this subsection shall not  
446 apply to cessions to an assuming insurer that:

447 (a) Is certified in the commonwealth;

448 (b) Maintains at least \$250,000,000 in capital and surplus when determined in  
449 accordance with the NAIC Accounting Practices and Procedures Manual, including all  
450 amendments thereto adopted by the NAIC, excluding the impact of any permitted or prescribed  
451 practices; and is (1) licensed in at least 26 states; or (2) licensed in at least 10 states, and licensed  
452 or accredited in a total of at least 35 states.

453 (v) The authority to adopt regulations pursuant to this paragraph (B) does not limit the  
454 commissioner's general authority to adopt regulations pursuant to paragraph (A) of subsection 5  
455 of this section.

456 SECTION 28. Section 168 of said chapter 175 of the General Laws, as appearing in the  
457 2016 Official Edition, is hereby amended by striking out subsection (d) and inserting in place  
458 thereof the following subsection:-

459 (d) (1) Each person so licensed shall keep a separate account of the business done  
460 under the license and shall file forthwith a certified copy of each such account with the  
461 commissioner. Each account so filed shall include, but not be limited to including the following  
462 information: (i) the exact amount of such insurance placed for each person whose home state is  
463 the commonwealth; (ii) the gross premium charged for such insurance; (iii) the company that  
464 issued the insurance policy; (iv) the date and term of each policy; and (v) a report in the same  
465 detail of each cancelled policy, with the gross return premiums thereon.

466 (2) Each person so licensed shall, annually, not later than January 31, file a sworn  
467 statement with the state treasurer providing the gross premiums charged for insurance procured  
468 or placed and the gross return premiums on such insurance cancelled under such license during  
469 the year ending on December 31 last preceding. At the time of filing such statement, each person  
470 licensed as a special insurance broker shall pay a fee to the commonwealth in an amount equal to  
471 4 per cent of such gross premiums, less such gross return premiums, on properties, risks or  
472 exposures located or to be performed in the commonwealth or any other state if the insured's  
473 home state is the commonwealth.

474 SECTION 29. Said section 168 of said chapter 175 of the General Laws, as so appearing,  
475 is hereby further amended by striking out, in line 161, the words “collected pursuant to clause (3)  
476 of subsection (d).

477 SECTION 30. Section 206 of said chapter 175, as so appearing, is hereby amended by  
478 inserting after the definition of “Control” the following definition:-

479 “Group-wide supervisor”, the regulatory official authorized to engage in conducting and  
480 coordinating group-wide supervision activities who is determined or acknowledged by the  
481 commissioner under subsection (y) of section 206C to have sufficient significant contacts with  
482 the internationally active insurance group.

483 SECTION 31. Said section 206 of said chapter 175, as so appearing, is hereby further  
484 amended by inserting after the definition of “Insurer” the following definition:-

485 “Internationally active insurance group”, an insurance holding company system that (1)  
486 includes an insurer registered under section 206C; and (2) meets the following criteria: (a)  
487 premiums written in at least 3 countries, (b) the percentage of gross premiums written outside the  
488 United States is at least 10 per cent of the insurance holding company system’s total gross  
489 written premiums, and (c) based on a 3-year rolling average, the total assets of the insurance  
490 holding company system are at least \$50,000,000,000 or the total gross written premiums of the  
491 insurance holding company system are at least \$10,000,000,000.

492 SECTION 32. Section 206C of said chapter 175, as so appearing, is hereby amended by  
493 inserting, in line 291, after the word “reported,” the following words:- or provided to the  
494 division of insurance.



495 SECTION 33. Said section 206C of said chapter 175, as so appearing, is hereby further  
496 amended by adding the following subsection:-

497 (y) (1) The commissioner is authorized to act as the group-wide supervisor for any  
498 internationally active insurance group in accordance with the provisions of this subsection.  
499 However, the commissioner may otherwise acknowledge another regulatory official as the  
500 group-wide supervisor where the internationally active insurance group:

501 (i) Does not have substantial insurance operations in the United States;

502 (ii) Has substantial insurance operations in the United States, but not the  
503 commonwealth; or

504 (iii) Has substantial insurance operations in the United States and the  
505 commonwealth, but the commissioner has determined pursuant to the factors set forth in  
506 paragraphs (2) and (6) of this subsection that the other regulatory official is the appropriate  
507 group-wide supervisor.

508 An insurance holding company system that does not qualify as an internationally active  
509 insurance group may request that the commissioner make a determination or acknowledgement  
510 as to a group-wide supervisor pursuant to this subsection.

511 (2) In cooperation with other state, federal and international regulatory agencies,  
512 the commissioner shall identify a single group-wide supervisor for an internationally active  
513 insurance group. The commissioner may determine that the commissioner is the appropriate  
514 group-wide supervisor for an internationally active insurance group that conducts substantial  
515 insurance operations concentrated in the commonwealth. However, the commissioner may

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

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

521 (ii) The place of domicile of the top-tiered insurer(s) in the insurance  
522 holding company system of the internationally active insurance group;

523 (iii) The location of the executive offices or largest operational offices of  
524 the internationally active insurance group;

525 (iv) Whether another regulatory official is acting or is seeking to act as  
526 the group-wide supervisor under a regulatory system that the commissioner determines to be  
527 substantially similar to the system of regulation provided under the laws of the commonwealth,  
528 or otherwise sufficient in terms of providing for group-wide supervision, enterprise risk analysis,  
529 and cooperation with other regulatory officials; and

530 (v) Whether another regulatory official acting or seeking to act as the  
531 group-wide supervisor provides the commissioner with reasonably reciprocal recognition and  
532 cooperation.

533 However, a commissioner identified under this subsection as the group-wide supervisor  
534 may determine that it is appropriate to acknowledge another supervisor to serve as the group-  
535 wide supervisor. The acknowledgement of the group-wide supervisor shall be made after  
536 consideration of the factors listed in subparagraphs (i) through (v), and shall be made in

537 cooperation with and subject to the acknowledgment of other regulatory officials involved with  
538 supervision of members of the internationally active insurance group, and in consultation with  
539 the internationally active insurance group.

540 (3) Notwithstanding any other provision of law, when another regulatory official  
541 is acting as the group-wide supervisor of an internationally active insurance group, the  
542 commissioner shall acknowledge that regulatory official as the group-wide supervisor.  
543 However, in the event of a material change in the internationally active insurance group that  
544 results in: (i) the internationally active insurance group's insurers domiciled in the  
545 commonwealth holding the largest share of the group's premiums, assets or liabilities; or (ii) the  
546 commonwealth being the place of domicile of the top-tiered insurer(s) in the insurance holding  
547 company system of the internationally active insurance group, the commissioner shall make a  
548 determination or acknowledgment as to the appropriate group-wide supervisor for such an  
549 internationally active insurance group pursuant to paragraph (2) of this subsection.

550 (4) Pursuant to subsection (u), the commissioner is authorized to collect from any  
551 insurer registered pursuant to subsection (a) all information necessary to determine whether the  
552 commissioner may act as the group-wide supervisor of an internationally active insurance group  
553 or if the commissioner may acknowledge another regulatory official to act as the group-wide  
554 supervisor. Prior to issuing a determination that an internationally active insurance group is  
555 subject to group-wide supervision by the commissioner, the commissioner shall notify the  
556 insurer registered pursuant to subsection (a) and the ultimate controlling person within the  
557 internationally active insurance group. The internationally active insurance group shall have not  
558 less than 30 days to provide the commissioner with additional information pertinent to the  
559 pending determination. The commissioner shall publish on the division of insurance's website

560 the identity of internationally active insurance groups that the commissioner has determined are  
561 subject to group-wide supervision by the commissioner.

562 (5) If the commissioner is the group-wide supervisor for an internationally  
563 active insurance group, the commissioner is authorized to engage in any of the following group-  
564 wide supervision activities:

565 (i) Assess the enterprise risks within the internationally active insurance  
566 group to ensure that the material financial condition and liquidity risks to the members of the  
567 internationally active insurance group that are engaged in the business of insurance are identified  
568 by management, and reasonable and effective mitigation measures are in place;

569 (ii) Request, from any member of an internationally active insurance  
570 group subject to the commissioner's supervision, information necessary and appropriate to assess  
571 enterprise risk, including but not limited to, information about the members of the internationally  
572 active insurance group regarding governance, risk assessment and management; capital  
573 adequacy, and material intercompany transactions;

574 (iii) Coordinate and, through the authority of the regulatory officials of  
575 the jurisdictions where members of the internationally active insurance group are domiciled,  
576 compel development and implementation of reasonable measures designed to ensure that the  
577 internationally active insurance group is able to timely recognize and mitigate enterprise risks to  
578 members of such internationally active insurance group that are engaged in the business of  
579 insurance;

580 (iv) Communicate with other state, federal and international regulatory  
581 agencies for members within the internationally active insurance group and share relevant

582 information subject to the confidentiality provisions of subsection (v), through supervisory  
583 colleges as set forth in subsection (x) or otherwise;

584 (v) Enter into agreements with or obtain documentation from any insurer  
585 registered under subsection (a), any member of the internationally active insurance group, and  
586 any other state, federal and international regulatory agencies for members of the internationally  
587 active insurance group, providing the basis for or otherwise clarifying the commissioner's role as  
588 group-wide supervisor, including provisions for resolving disputes with other regulatory  
589 officials. Such agreements or documentation shall not serve as evidence in any proceeding that  
590 any insurer or person within an insurance holding company system not domiciled or incorporated  
591 in the commonwealth is doing business in the commonwealth or is otherwise subject to  
592 jurisdiction in this state; and

593 (vi) Other group-wide supervision activities, consistent with the  
594 authorities and purposes enumerated in this paragraph, as considered necessary by the  
595 commissioner.

596 (6) If the commissioner acknowledges that another regulatory official from a  
597 jurisdiction that is not accredited by the NAIC is the group-wide supervisor, the commissioner is  
598 authorized to reasonably cooperate, through supervisory colleges or otherwise, with group-wide  
599 supervision undertaken by the group-wide supervisor, provided that (i) the commissioner's  
600 cooperation is in compliance with the laws of the commonwealth; and (ii) the regulatory official  
601 acknowledged as the group-wide supervisor also recognizes and cooperates with the  
602 commissioner's activities as a group-wide supervisor for other internationally active insurance

603 groups where applicable. Where such recognition and cooperation is not reasonably reciprocal,  
604 the commissioner is authorized to refuse recognition and cooperation.

605 (7) The commissioner is authorized to enter into agreements with or obtain  
606 documentation from any insurer registered under subsection (a), any affiliate of the insurer, and  
607 other state, federal and international regulatory agencies for members of the internationally  
608 active insurance group that provide the basis for or otherwise clarify a regulatory official's role  
609 as group-wide supervisor.

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

614 SECTION 34. Chapter 175 of the General Laws is hereby amended by adding the  
615 following section:-

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

618 SECTION 35. Chapter 176 of the General Laws is hereby amended by inserting after  
619 section 1A the following section:-

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

622 SECTION 36. Section 18 of chapter 176A of the General Laws, as appearing in the 2016  
623 Official Edition, is hereby amended by adding the following paragraph:-

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

626 SECTION 37. Chapter 176B of the General Laws is hereby amended by inserting after  
627 section 8B the following section:-

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

630 SECTION 38. Chapter 176E of the General Laws is hereby amended by inserting after  
631 section 8B the following section:-

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

634 SECTION 39. Chapter 176F of the General Laws is hereby amended by inserting after  
635 section 8A the following section:-

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

638 SECTION 40. Chapter 176G of the General Laws is hereby amended by inserting after  
639 section 10A the following section:-

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

642 SECTION 41. Chapter 176H of the General Laws is hereby amended by inserting after  
643 section 13A the following section:-

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

646 SECTION 42. Section 6 of chapter 176O of the General Laws, as appearing in the 2016  
647 Official Edition, is hereby amended by striking out, in lines 36 to 37 and 102 to 103, in each  
648 instance, the words “and the involuntary disenrollment rate among insureds of the carrier”.

649 SECTION 43. Section 21 of said chapter 176O, as so appearing, is hereby amended by  
650 striking out subsection (a).

651 SECTION 44. Subsection (b) of said section 21 of said chapter 176O, as so appearing, is  
652 hereby amended by striking out paragraph (2) and inserting in place thereof the following  
653 paragraph:-

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

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

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

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

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

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



664 SECTION 45. Subsection (d) of said section 21 of said chapter 176O, as so appearing, is  
665 hereby amended by striking out the first sentence and inserting in place thereof the following  
666 sentence:-

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

670 SECTION 46. Chapter 176P of the General Laws is hereby amended by inserting after  
671 section 38A the following section:-

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

674 SECTION 47. The General Laws, as appearing in the 2016 Official Edition, are hereby  
675 amended by inserting after chapter 176V the following chapter:

676 CHAPTER 176W

677 CORPORATE GOVERNANCE ANNUAL DISCLOSURE

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

680 “Commissioner”, the commissioner of insurance.

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

683 “Corporate Governance Annual Disclosure Model Regulation”, the current version of the  
684 Corporate Governance Annual Disclosure Model Regulation developed and adopted by the  
685 NAIC and as amended from time to time. A change in the Corporate Governance Annual  
686 Disclosure Model Regulation shall be effective on the January 1 following the calendar year in  
687 which the changes have been adopted by the NAIC.

688 “Division”, the division of insurance.

689 “Insurance group”, those insurers and affiliates included within an insurance holding  
690 company system as defined in section 206 of chapter 175; health maintenance organizations and  
691 affiliates included within a health maintenance organization holding company system, as defined  
692 in section 1 of chapter 176G; public employer self-insurance groups and their affiliates organized  
693 pursuant to chapter 40M; workers compensation self-insurance groups and their affiliates  
694 organized pursuant to sections 25E to 25U, inclusive, of chapter 152; fraternal benefit societies  
695 and their affiliates organized pursuant to chapter 176; non-profit hospital service corporations  
696 and their affiliates organized pursuant to chapter 176A; medical service corporations and their  
697 affiliates organized pursuant to chapter 176B; dental service corporations and their affiliates  
698 organized pursuant to chapter 176E; optometric service corporations and their affiliates  
699 organized pursuant to chapter 176F; insured legal services plans and their affiliates organized  
700 pursuant to chapter 176H; and limited societies and their affiliates organized pursuant to chapter  
701 176P.

702 “Insurer”, the same meaning as in section 1 of chapter 175 and shall also include public  
703 employer self-insurance groups organized pursuant to chapter 40M; workers compensation self-  
704 insurance groups organized pursuant to sections 25E to 25U, inclusive, of chapter 152; fraternal

705 benefit societies organized pursuant to chapter 176; non-profit hospital service corporations  
706 organized pursuant to chapter 176A; medical service corporations organized pursuant to chapter  
707 176B; dental services corporations organized pursuant to chapter 176E; optometric service  
708 corporations organized pursuant to chapter 176F; health maintenance organizations organized  
709 pursuant to chapter 176G; insured legal services plans organized pursuant to chapter 176H; and  
710 limited societies organized pursuant to chapter 176P; except that “insurer” shall not include  
711 agencies, authorities or instrumentalities of the United States, its possessions and territories, the  
712 commonwealth of Puerto Rico, the District of Columbia or a state or political subdivision of a  
713 state.

714 “NAIC”, the National Association of Insurance Commissioners.

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

716 Section 2. (a) An insurer, or the insurance group of which the insurer is a member, shall,  
717 no later than June 1 of each calendar year, submit to the commissioner a CGAD that contains the  
718 information described in section 4(b). Notwithstanding any request from the commissioner made  
719 pursuant to subsection (c), if the insurer is a member of an insurance group, the insurer shall  
720 submit the report required by this section to the commissioner of the lead state for the insurance  
721 group, in accordance with the laws of the lead state, as determined by the procedures outlined in  
722 the most recent Financial Analysis Handbook adopted by the NAIC.

723 (b) The CGAD must include a signature of the insurer’s or insurance group’s chief  
724 executive officer or corporate secretary attesting to the best of that individual’s belief and  
725 knowledge that the insurer has implemented the corporate governance practices and that a copy

726 of the disclosure has been provided to the insurer's board of directors or the appropriate  
727 committee thereof.

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

730 (d) For purposes of completing the CGAD, the insurer or insurance group may provide  
731 information regarding corporate governance at the ultimate controlling parent level, an  
732 intermediate holding company level or the individual legal entity level, depending upon how the  
733 insurer or insurance group has structured its system of corporate governance. The insurer or  
734 insurance group is encouraged to make the CGAD disclosures at the level at which the insurer's  
735 or insurance group's risk appetite is determined, or at which the earnings, capital, liquidity,  
736 operations, and reputation of the insurer are overseen collectively and at which the supervision of  
737 those factors are coordinated and exercised, or the level at which legal liability for failure of  
738 general corporate governance duties would be placed. If the insurer or insurance group  
739 determines the level of reporting based on these criteria, it shall indicate which of the three  
740 criteria was used to determine the level of reporting and explain any subsequent changes in level  
741 of reporting.

742 (e) The review of the CGAD and any additional requests for information shall be made  
743 through the lead state as determined by the procedures within the most recent Financial Analysis  
744 Handbook referenced in subsection (a).

745 (f) Insurers providing information substantially similar to the information required by  
746 this chapter in other documents provided to the commissioner, including proxy statements filed  
747 in conjunction with Form B requirements pursuant to section 206C of chapter 175, or other state

748 or federal filings provided to the Division shall not be required to duplicate that information in  
749 the CGAD, but shall only be required to cross reference the document in which the information  
750 is included.

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

754 Section 4. (a) The insurer or insurance group shall have discretion over the responses to  
755 the CGAD inquiries, provided the CGAD shall contain the material information necessary to  
756 permit the commissioner to gain an understanding of the insurer's or group's corporate  
757 governance structure, policies, and practices. The commissioner may request additional  
758 information that he or she deems material and necessary to provide the commissioner with a  
759 clear understanding of the corporate governance policies, the reporting or information system or  
760 controls implementing those policies.

761 (b) Notwithstanding subsection (a) of this section, the CGAD shall be prepared  
762 consistent with the NAIC Corporate Governance Annual Disclosure Model Regulation, subject  
763 to the requirements of this chapter. Documentation and supporting information shall be  
764 maintained and made available upon examination or upon request of the commissioner.

765 Section 5. (a) Documents, materials or other information including the CGAD, in the  
766 possession or control of the Division that are obtained by, created by or disclosed to the  
767 commissioner or any other person under this chapter shall be proprietary and recognized to  
768 contain trade secrets. All such documents, materials or other information shall be confidential by  
769 law and privileged, shall not be considered a public record pursuant to section 10 of chapter 66,

770 shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence  
771 in any private civil action. However, the commissioner is authorized to use the documents,  
772 materials or other information in the furtherance of any regulatory or legal action brought as a  
773 part of the commissioner's official duties. The commissioner shall not otherwise make the  
774 documents, materials or other information public without the prior written consent of the insurer.  
775 Nothing in this section shall be construed to require written consent of the insurer before the  
776 commissioner may share or receive confidential documents, materials or other CGAD-related  
777 information pursuant to subsection (c) to assist in the performance of the commissioner's regular  
778 duties.

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

784 (c) In order to assist in the performance of the commissioner's regulatory duties, the  
785 commissioner:

786 (i) May, upon request, share documents, materials or other CGAD-related  
787 information including the confidential and privileged documents, materials or information  
788 subject to subsection (a), including proprietary and trade secret documents and materials with  
789 other state, federal and international financial regulatory agencies, including members of any  
790 supervisory college as defined in subsection (x) of section 206C of chapter 175, with the NAIC,  
791 and with third party consultants pursuant to section 6, provided that the recipient agrees in

792 writing to maintain the confidentiality and privileged status of the CGAD-related documents,  
793 material or other information and has verified in writing the legal authority to maintain  
794 confidentiality; and

795 (ii) May receive documents, materials or other CGAD-related information,  
796 including otherwise confidential and privileged documents, materials or information, including  
797 proprietary and trade-secret information or documents, from regulatory officials of other state,  
798 federal and international financial regulatory agencies, including members of any supervisory  
799 college as defined in subsection (x) of section 206C of chapter 175, and from the NAIC, and  
800 shall maintain as confidential or privileged any documents, materials or information received  
801 with notice or the understanding that it is confidential or privileged under the laws of the  
802 jurisdiction that is the source of the document, material or information.

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

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

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

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

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

817 (c) The NAIC and third-party consultants shall be subject to the same confidentiality  
818 standards and requirements as the commissioner.

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

823 (e) A written agreement with the NAIC or a third-party consultant governing sharing and  
824 use of information provided pursuant to this chapter shall contain the following provisions and  
825 expressly require the written consent of the insurer prior to making public information provided  
826 under this chapter:

827 (i) Specific procedures and protocols for maintaining the confidentiality and  
828 security of CGAD-related information shared with the NAIC or a third-party consultant pursuant  
829 to this chapter;

830 (ii) Procedures and protocols for sharing by the NAIC only with other state  
831 regulators from states in which the insurance group has domiciled insurers. The agreement shall  
832 provide that the recipient agrees in writing to maintain the confidentiality and privileged status of



833 the CGAD-related documents, materials or other information and has verified in writing the legal  
834 authority to maintain confidentiality;

835 (iii) A provision specifying that ownership of the CGAD-related information  
836 shared with the NAIC or a third-party consultant remains with the Division and the NAIC's or  
837 third-party consultant's use of the information is subject to the direction of the commissioner;

838 (iv) A provision that prohibits the NAIC or a third-party consultant from storing  
839 the information shared pursuant to this chapter in a permanent database after the underlying  
840 analysis is completed;

841 (v) A provision requiring the NAIC or third-party consultant to provide prompt  
842 notice to the commissioner and to the insurer or insurance group regarding any subpoena, request  
843 for disclosure, or request for production of the insurer's CGAD-related information; and

844 (vi) A requirement that the NAIC or a third-party consultant consent to  
845 intervention by an insurer in any judicial or administrative action in which the NAIC or a third-  
846 party consultant may be required to disclose confidential information about the insurer shared  
847 with the NAIC or a third-party consultant pursuant to this chapter.

848 Section 7. Any insurer failing, without just cause, to timely file the CGAD as required in  
849 this chapter shall be required, after notice and hearing, to pay a penalty of \$500 for each day of  
850 delay, to be recovered by the commissioner. The maximum penalty under this section is  
851 \$10,000. The commissioner may reduce the penalty if the insurer demonstrates to the  
852 commissioner that the imposition of the penalty would constitute a financial hardship to the  
853 insurer.

854 Section 8. If any provision of this chapter other than Section 5, or the application thereof  
855 to any person or circumstance, is held invalid, such determination shall not affect the provisions  
856 or applications of this chapter which can be given effect without the invalid provision or  
857 application, and to that end the provisions of this chapter, with the exception of Section 5, are  
858 severable.

859 SECTION 48. Notwithstanding any general or special law to the contrary, in fiscal years  
860 2019 to 2025, inclusive, the office of Medicaid shall allocate \$1,000,000 annually for a Fishing  
861 Partnership Health Plan Corporation project that shall provide services to fishermen and fishing  
862 families; provided, however, that such services shall include, but not be limited to, assisting  
863 fishermen and fishing families in obtaining health insurance coverage.

864 SECTION 49. Notwithstanding any general or special law to the contrary, the  
865 Massachusetts Technology Park Corporation, established in section 3 of chapter 40J of the  
866 General Laws and doing business as the Massachusetts Technology Collaborative, shall conduct  
867 a study on the autonomous vehicles industry and issue recommendations on how to advance the  
868 state's competitiveness in the emerging industry. The study shall include, but not be limited to,  
869 cybersecurity, data privacy, data analytics, artificial intelligence, the internet of things,  
870 navigational software, robotics, advanced manufacturing, and other emerging technologies  
871 related to autonomous vehicles. The study shall examine ways to accommodate research and  
872 development in a safe and productive manner. The Massachusetts Technology Collaborative may  
873 conduct this study in collaboration with relevant stakeholders, including but not limited to, the  
874 insurance industry, municipalities, institutions of higher education, automobile manufacturers,  
875 technology companies, policymakers, and other entities deemed necessary and relevant. The  
876 recommendations shall provide ways for the state to improve on its strengths and weaknesses

877 through policies, strategies and initiatives to create new or stronger working relationships  
878 between key institutions, agencies, organizations and businesses. The study and  
879 recommendations shall be submitted to the joint committee on economic development and  
880 emerging technologies and the joint committee on transportation no later than December 31,  
881 2019.

882 SECTION 50. Notwithstanding any general or special law to the contrary, to meet the  
883 expenditures necessary in carrying out section 2A, the state treasurer shall, upon receipt of a  
884 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified  
885 by the governor from time to time but not exceeding, in the aggregate, \$446,250,000. All bonds  
886 issued by the commonwealth, as aforesaid, shall be designated on their face “Commonwealth  
887 Economic Development Act of 2018”, and shall be issued for a maximum term of years, not  
888 exceeding 30 years, as the governor may recommend to the general court pursuant to section 3 of  
889 Article LXII of the Amendments to the Constitution; provided, however, that all such bonds shall  
890 be payable not later than June 30, 2053. All interest and payments on account of principal on  
891 such obligations shall be payable from the General Fund. Bonds and interest thereon issued  
892 under the authority of this section shall, notwithstanding any other provision of this act, be  
893 general obligations of the commonwealth.

894 SECTION 51. Notwithstanding any general or special law to the contrary, to meet the  
895 expenditures necessary in carrying out section 2B, the state treasurer shall, upon receipt of a  
896 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified  
897 by the governor from time to time but not exceeding, in the aggregate, \$225,000,000. All bonds  
898 issued by the commonwealth, as aforesaid, shall be designated on their face “Commonwealth  
899 Economic Development Act of 2018”, and shall be issued for a maximum term of years, not

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

906 SECTION 52. Notwithstanding any general or special law to the contrary, for the days of  
907 August 11, 2018 and August 12, 2018, an excise shall not be imposed upon nonbusiness sales at  
908 retail of tangible personal property, as defined in section 1 of chapter 64H of the General Laws.  
909 For the purposes of this act, tangible personal property shall not include telecommunications  
910 services, tobacco products subject to the excise imposed by chapter 64C of the General Laws,  
911 marijuana or marijuana products subject to the excise tax imposed by chapter 64H of the General  
912 Laws, gas, steam, electricity, motor vehicles, motorboats, meals or a single item the price of  
913 which is in excess of \$2,500.

914 SECTION 53. Notwithstanding any general or special law to the contrary, for the days of  
915 August 11, 2018 and August 12, 2018, a vendor shall not add to the sales price or collect from a  
916 nonbusiness purchaser an excise upon sales at retail of tangible personal property, as defined in  
917 section 1 of chapter 64H of the General Laws. The commissioner of revenue shall not require a  
918 vendor to collect and pay excise upon sales at retail of tangible personal property purchased on  
919 August 11, 2018 and August 12, 2018. An excise erroneously or improperly collected during the  
920 days of August 11, 2018 and August 12, 2018, shall be remitted to the department of revenue.  
921 This section shall not apply to the sale of telecommunications services, tobacco products subject  
922 to the excise imposed by chapter 64C of the General Laws, marijuana or marijuana products

923 subject to the excise tax imposed by chapter 64H of the General Laws, gas, steam, electricity,  
924 motor vehicles, motorboats, meals or a single item the price of which is in excess of \$2,500.

925 SECTION 54. Reporting requirements imposed upon vendors of tangible personal  
926 property, by law or by regulation, including, but not limited to, the requirements for filing returns  
927 required by chapter 62C of the General Laws, shall remain in effect for sales for the days of  
928 August 11, 2018 and August 12, 2018.

929 SECTION 55. On or before December 31, 2018, the commissioner of revenue shall  
930 certify to the comptroller the amount of sales tax forgone, as well as new revenue raised from  
931 personal and corporate income taxes and other sources, pursuant to this act. The commissioner  
932 shall file a report with the joint committee on revenue and the house and senate committees on  
933 ways and means detailing by fund the amounts under general and special laws governing the  
934 distribution of revenues under chapter 64H of the General Laws which would have been  
935 deposited in each fund, without this act.

936 SECTION 56. The commissioner of revenue shall issue instructions or forms, or  
937 promulgate rules or regulations, necessary for the implementation of this act.

938 SECTION 57. Eligible sales at retail of tangible personal property under sections 1 and 2  
939 are restricted to those transactions occurring on August 11, 2018 and August 12, 2018. Transfer  
940 of possession of or payment in full for the property shall occur on 1 of those days, and prior sales  
941 or layaway sales shall be ineligible.

942 SECTION 58. Sections 11, 23 to 41, inclusive, and 46 to 47, inclusive, shall take effect  
943 90 days after the passage of this act.

944 SECTION 59. Sections 4 to 7, inclusive, 12 to 15, inclusive, and 17 to 20, inclusive, shall  
945 take effect on January 1, 2019 and shall be effective for all tax years beginning on or after  
946 January 1, 2019.

947 SECTION 60. Sections 16 and 21 shall take effect on January 1, 2022.

948 SECTION 61. Except as otherwise specified, this act shall take effect upon its passage.