

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Michael S. Day

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

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

An Act establishing MassQuantum.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Michael S. Day</i>	<i>31st Middlesex</i>	<i>3/17/2026</i>

HOUSE No.

By Representative Day of Stoneham, a petition (subject to Joint Rules 12 and 9) of Michael S. Day for legislation to establish quantum investment and tax incentive programs for certain quantum science research, development, manufacturing or commercialization. Revenue.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Fourth General Court
(2025-2026)**

An Act establishing MassQuantum.

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

1 SECTION 1. The General Laws are hereby amended by inserting after chapter 23N the
2 following chapter:-

3 CHAPTER 23O

4 Massachusetts Quantum Center

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

7 "Affiliate", any business which directly or indirectly controls or is controlled by or is
8 under direct or indirect common control of another business including, but not limited to, any
9 business with which a business is merged or consolidated, or which purchases all or substantially
10 all of the assets of a business.

11 "Board", the board of directors of the Massachusetts Quantum Center.

12 "Center", the Massachusetts Quantum Center established by section 2.

13 "Certification proposal", a written proposal submitted by a quantum computing company
14 for approval as a certified quantum company pursuant to section 4.

15 "Certified quantum company", a company that has been certified by the center for
16 participation in the commonwealth quantum investment program and the quantum tax incentive
17 program, established by section 4.

18 "Company", a business corporation, partnership, firm, unincorporated association or other
19 entity engaged or proposing to engage in economic activity within the commonwealth, and any
20 affiliate thereof, which is, or the members of which are, subject to taxation under chapter 62, 63,
21 64H or 64I.

22 "Department", the department of revenue established pursuant to section 1 of chapter 14.

23 "Eligible new job", a new job that shall not replace an existing job in the commonwealth
24 and which may be a retained job; provided, however, that "eligible new job" may be further
25 defined by rules, regulations or guidelines promulgated by the center pursuant to section 4;
26 provided further, that an "eligible new job" shall be deemed to have been created in the
27 commonwealth on the first day for which Massachusetts personal income tax withholding is
28 required in connection with the compensation paid to an employee of a quantum company or the
29 first day for which Massachusetts estimated tax payments are payable by a partner of a
30 partnership constituting a quantum sciences company.

31 "Enterprise", a small business, as defined in chapters 23A or 40F, which has its principal
32 place of business in the commonwealth and is, or proposes to be, engaged in research and
33 development or manufacturing in the quantum industry.

34 "Equity investment", (a) a share in a quantum company certified pursuant to section 4,
35 whether or not transferable or denominated stock, or similar security; (b) interest of a limited
36 partner in a limited partnership; or (c) warrant or right, other than a right to convert, to purchase,
37 sell or subscribe to a share, security or interest of a kind specified in clauses (a) or (b); provided,
38 however, that when making an equity investment in an enterprise pursuant to section 4, the
39 center shall receive not less than 3 per cent of the equity in said enterprise.

40 "Independent research institution", a nonprofit research organization that holds tax-
41 exempt status granted under section 501(c)(3) of the Internal Revenue Code and shall be
42 organized and operated exclusively for scientific or educational purposes.

43 "New state revenue", revenue derived from a quantum company by the creation of any
44 eligible new jobs or by new commercial activity that would otherwise not have taken place in the
45 commonwealth or as may be defined by any rules or regulations promulgated by the center
46 pursuant to section 4.

47 "Permanent full-time employee", an individual who: (i) is in an employment relationship
48 which, at its inception, does not have a termination date which is a date certain or which is
49 determined with reference to the completion of some specified scope of work; (ii) works a
50 minimum number of weekly hours as the center may specify by rule, regulation or guideline; and
51 (iii) receives employee benefits at least equal to those provided to other full-time employees of
52 the employer, which shall be a quantum sciences company.

53 "Person", a natural person, corporation, association, partnership or other legal entity.

54 "Program", the commonwealth quantum sciences investment program established by
55 section 4.

56 "Professional investor", a bank, bank holding company, savings institution, trust
57 company, insurance company, investment company registered under the federal Investment
58 Company Act of 1940, pension or profit-sharing trust or other financial institution or institutional
59 buyer, licensee under the federal Small Business Investment Act of 1958 or any person,
60 partnership or other entity of whose resources a substantial amount shall be dedicated to
61 investing in securities or debt instruments and whose net worth exceeds \$250,000.

62 "Qualified security", a note, stock, treasury stock bond, debenture, evidence of
63 indebtedness, certificate of interest or participation in a profit-sharing agreement, preorganization
64 certificate or subscription, transferable share, investment contract, certificate of deposit for a
65 security, certificate of interest or participation in a patent or application therefor, or in royalty or
66 other payments under such a patent or application; in general, any interest or instrument security,
67 so-called, or any certificate for, receipt for, guarantee of, or option, warrant or right to subscribe
68 to or purchase any of the foregoing; and debt of and partnership interest in, as a general or
69 limited partner, any general or limited liability partnership organized under the laws of the
70 commonwealth, and debt of and membership interest in any limited liability company organized
71 under the laws of the commonwealth.

72 "Quantum science", means the use of the laws of quantum physics for the storage,
73 transmission, manipulation, computing, or measurement of information.

74 "Quantum company", a business corporation, partnership, firm, unincorporated
75 association or other entity engaged in quantum science research, development, manufacturing or
76 commercialization in the commonwealth, and any affiliate thereof, which is, or the members of
77 which are, subject to taxation under chapter 62, 63, 64H or 64I.

78 "Real estate project", real property where, after a quantum sciences company is certified,
79 construction or renovation shall be initiated which, when completed, shall result in an increase in
80 the assessed value of the real property of at least 100 per cent over its assessed value as of the
81 date of certification; provided, however, that if a real estate facility is a business incubator
82 facility and is designated as a certified quantum sciences company pursuant to section 4, each
83 business which executes a binding lease for space in that facility after the date on which the
84 construction or renovation activity begins shall be eligible for separate designation as a certified
85 quantum sciences company.

86 "Revenue", receipts, fees, rentals or other payments or income received or to be received
87 on account of obligations to the center including, but not limited to, income on account of the
88 leasing, mortgaging, sale or other disposition of a project or proceeds of a loan made by the
89 center in connection with any project, and amounts in reserves or held in other funds or accounts
90 established in connection with the issuance of bonds and the proceeds of any investments
91 thereof, proceeds of foreclosure and any other fees, charges or other income received or
92 receivable by the center.

93 "Seed capital", financing that is provided for the development, refinement and
94 commercialization of a product or process and other working capital needs.

95 "Taxpayer", a certified quantum sciences company or person subject to the taxes imposed
96 by chapter 62, 63, 64H or 64I.

97 Section 2. (a) There is hereby created a body politic and corporate to be known as the
98 Massachusetts Quantum Center. The center is hereby constituted a public instrumentality and the
99 exercise by the center of the powers conferred by this chapter shall be considered to be the
100 performance of an essential governmental function.

101 The center is hereby placed in the executive office of economic development but shall
102 not be subject to the supervision, or control of said office, or of any board, bureau, department,
103 or other center of the commonwealth, except as specifically provided in this chapter.

104 (b) The center shall be governed and its corporate powers exercised by a board of
105 commissioners consisting of 5 commissioners : One of whom shall be the Secretary of the
106 Executive Office of Technology Services and Security or their designee, one of whom shall be
107 the Secretary of Economic Development who shall serve as Chair of the Commission, one of
108 whom shall be an industry leader appointed by the Speaker of the House from a list of three
109 provided by the New England Venture Capital Association, each of whom shall have direct
110 experience serving as an officer of a quantum computing focused start up corporation based in
111 the Commonwealth of Massachusetts, one of whom shall be an industry leader appointed by the
112 Senate President from a list of three provided by the Associated Industries of Massachusetts,
113 each of whom shall have direct experience serving as an officer of a Fortune 500 corporation
114 which has invested significantly in quantum computing, and one of whom shall be an academic
115 leader in the field of Quantum computing chosen by the Governor from a list of three provided
116 by the President of the University of Massachusetts in collaboration with the Executive Director

117 of the Association of Independent Colleges and Universities of Massachusetts. Each appointed
118 member shall serve a term of 5 years. Any person appointed to fill a vacancy in the office of an
119 appointed commissioner of the board shall be appointed in a like manner and shall serve for only
120 the unexpired term of such commissioner. Any commissioner shall be eligible for reappointment.
121 Appointing authorities may remove their appointees for any reason or no reason at all.

122 (c) Three commissioners shall constitute a quorum and the affirmative vote of a
123 majority of commissioners present at a duly called meeting if a quorum is present shall be
124 necessary for any action to be taken by the board. Any action required or permitted to be taken at
125 a meeting of the commissioners may be taken without a meeting if all of the commissioners'
126 consent in writing to such action and such written consent is filed with the records of the minutes
127 of the meetings of the board. Such consent shall be treated for all purposes as a vote at a meeting.
128 Each commissioner shall make full disclosure, under subsection (d), of their financial interest, if
129 any, in matters before the board by notifying the state ethics commission, in writing, and shall
130 abstain from voting on any matter before the board in which they have a financial interest, unless
131 otherwise permissible under chapter 268A.

132 The members of the commission shall receive an annual remuneration in an amount
133 equal to one quarter of the salary of the Secretary of Administration and Finance. Each member
134 shall be entitled to reimbursement for their actual and necessary expenses incurred in the
135 performance of his official duties.

136 (d) The provisions of chapter 268A shall apply to all ex-officio commissioners or their
137 designees and employees of the center. The provisions of chapter 268A shall apply to all other
138 commissioners of the center, except that the center may purchase from, sell to, borrow from, loan

139 to, contract with or otherwise deal with any person in which any commissioner of the center is in
140 any way interested or involved; provided, however, that such interest or involvement is disclosed
141 in advance to the members of the board and recorded in the minutes of the board; and provided,
142 further, that no commissioner having such an interest or involvement may participate in any
143 decision of the board relating to such person. Employment by the commonwealth or service in
144 any agency thereof shall not be deemed to be such an interest or involvement.

145 (e) The Board shall have the power to appoint and employ an Executive Director, and to
146 fix compensation and conditions of employment. The Executive Director shall be the chief
147 executive, administrative and operational officer of the center and shall direct and supervise
148 administrative affairs and the general management of the center. The Executive Director shall
149 appoint and employ a chief financial and accounting officer and may, subject to the general
150 supervision of the board, employ other employees, consultants, agents, including legal counsel,
151 and advisors, and shall attend meetings of the board. The chief financial and accounting officer
152 of the center shall be in charge of its funds, books of account and accounting records. No funds
153 shall be transferred by the center without the approval of the board and the signatures of the chief
154 financial and accounting officer and the treasurer, as appointed by the board pursuant to
155 subsection (g).

156 (f) Neither the center nor any of its officers, agents, employees, consultants or advisors
157 shall be subject to the provisions of sections 9A, 45, 46 and 52 of chapter 30, or to chapter 31, or
158 to chapter 200 of the acts of 1976.

159 (g) The board shall bi-annually elect 1 of its members as treasurer and 1 of its members
160 as secretary. The secretary shall keep a record of the proceedings of the board and shall be

161 custodian of all books, documents, and papers filed by the board and of its minute book and seal.
162 The secretary shall cause copies to be made of all minutes and other records and documents of
163 the center and shall certify that such copies are true copies, and all persons dealing with the
164 center may rely upon such certification.

165 (h) All officers and employees of the center having access to its cash or negotiable
166 securities shall give bond to the center at its expense in such amounts and with such surety as the
167 board may prescribe. The persons required to give bond may be included in one or more blanket
168 or scheduled bonds.

169 (i) Neither members of the center nor any person executing bonds or policies of
170 insurance shall be liable personally thereon or be subject to any personal liability or
171 accountability by reason of the issuance thereof. The board of commissioners may purchase
172 liability insurance for board members, officers and employees and may indemnify said persons
173 against claims of others.

174 (j) The center shall continue as long as it shall have bonds or insurance policies or
175 guarantee commitments outstanding and until its existence is terminated by law. Upon the
176 termination of the existence of the center, all right, title and interest in and to all of its assets and
177 all of its obligations, duties, covenants, agreements and obligations shall vest in and be
178 possessed, performed and assumed by the commonwealth.

179 (k) Any action of the center may take effect immediately and need not be published or
180 posted unless otherwise provided by law. The center shall be subject to all other provisions of
181 said chapter 30A, and records pertaining to the administration of the authority shall be subject to
182 section 42 of chapter 30 and section 10 of chapter 66 . All moneys of the center shall be

183 considered to be public funds for purposes of chapter 12A . The operations of the center shall be
184 subject to chapter 268A and chapter 268B and all other operational or administrative standards
185 or requirements to the same extent as the office of the state treasurer.

186 (l) Any documentary materials or data whatsoever made or received by any member or
187 employee of the center and consisting of, or to the extent that such materials or data consist of,
188 trade secrets or commercial or financial information regarding the operation of any business
189 conducted by an applicant for any form of assistance which the center is empowered to render or
190 regarding the competitive position of such applicant in a particular field of endeavor, shall not be
191 deemed public records of the center and specifically shall not be subject to the provisions of
192 section 10 of chapter 66 . Any discussion or consideration of such trade secrets or commercial or
193 financial information may be held by the board in executive sessions closed to the public, but the
194 purpose of any such executive session shall be set forth in the official minutes of the center and
195 no business which is not directly related to such purpose shall be transacted nor shall any vote be
196 taken during such executive session.

197 Section 3. The center shall have all powers necessary or convenient to carry out and
198 effectuate its purposes, including, without limiting the generality of the foregoing, the powers:

199 (1) to adopt and amend bylaws, regulations and procedures for the governance of its
200 affairs and the conduct of its business without regard to chapter 30A ;

201 (2) to establish standards requiring that any grant, loan or other appropriation of funds
202 pursuant to this chapter be subject to an intellectual property agreement between the center and
203 the recipient person; provided said intellectual property agreements balance the opportunity for
204 the commonwealth to benefit from the patents, royalties, and licenses with the need to ensure

205 that essential quantum science research is not unreasonably hindered by the intellectual property
206 agreements;

207 (3) to adopt an official seal for the functional name MassQuantum;

208 (4) to maintain offices at places within the commonwealth as it may determine and to
209 conduct meetings of the center in accordance with the by-laws of the authority and the second
210 paragraph of section 59 of chapter 156B;

211 (5) to sue and be sued, to prosecute and defend actions relating to its properties and
212 affairs, and to be liable in tort in the same manner as a private person; provided however, that the
213 center is not authorized to become a debtor under the United States Bankruptcy Code;

214 (6) to appoint officers and employees and to engage consultants, agents and advisors;

215 (7) to enter into contracts and agreements and execute all instruments necessary or
216 convenient thereto for accomplishing the purposes of this chapter; such contracts and agreements
217 may include, without limiting the foregoing, construction agreements, purchase or acquisition
218 agreements, loan or lease agreements, partnership agreements including limited partnership
219 agreements, joint ventures, participation agreements, service agreements with quantum entities,
220 nanotechnology entities, photo generative entities, educational or other financial institutions or
221 intermediaries, and agreements with one or more persons for the servicing of loans made by the
222 center including the receipt by such servicer of payments made by a user under a financing
223 document; provided, however, that the center shall contract with another public authority for the
224 performance by that authority of core administrative functions, as determined by the secretary of
225 economic development which may include, but shall not be limited to, human resources,
226 financial management, information technology, legal, procurement and asset management, to

227 minimize the administrative costs and expenses of the center. Any such payments shall constitute
228 trust funds to be held and applied solely as provided in such agreement for the servicing of loans,
229 shall constitute pledged funds of the center and shall be entitled to the same protection when
230 received by a person for the servicing of loans, without the need for filing and recording of the
231 servicing agreement under the provisions of chapter 106 or otherwise except in the records of
232 the center, as is afforded to funds received by an issuer and pledged to a trustee under section 14
233 of chapter 40D.

234 (8) to acquire real and personal property, or any interest in real or personal property, by
235 gift, purchase, transfer, foreclosure, lease or otherwise including rights or easements; to hold,
236 sell, assign, lease, encumber, mortgage or otherwise dispose of any real or personal property, or
237 any interest therein, or mortgage any interest owned by it or under its control, custody or in its
238 possession; to release or relinquish any right, title, claim, lien, interest, easement or demand
239 however acquired, including any equity or right of redemption in property foreclosed by it; to
240 take assignments of leases and rentals, proceed with foreclosure actions, or take any other actions
241 necessary or incidental to the performance of its corporate purposes;

242 (9) to invest any funds held in reserves or sinking funds, or the Massachusetts Quantum
243 Investment Fund, or any funds not required for immediate disbursement, in such investments as
244 may be provided in any financing document relating to the use of such funds, or, if not so
245 provided, as the board may determine;

246 (10) to review and recommend changes in laws, rules, programs, and policies of the state
247 and its agencies and subdivisions to further the enhancement of quantum industry financing,
248 infrastructure and development within the commonwealth;

249 (11) to appear in its own behalf before boards, commissions, departments or other
250 agencies of municipal, state or federal government;

251 (12) to obtain insurance;

252 (13) to apply for and accept subventions, grants, loans, advances and contributions from
253 any source of money, property, labor or other things of value, to be held, used and applied for its
254 corporate purposes, provided however, that the center shall not accept funding from any source,
255 including any federal agency, if the receipt of said funding would limit the center's ability to
256 promote all forms of quantum research or growth of that industry in the Commonwealth;

257 (14) to borrow money in order to implement the purposes of this chapter and, without
258 limiting the generality of the foregoing, to augment the means of securing financing authorized
259 by law for or otherwise available to public bodies and other users;

260 (15) to lend money to and to acquire or hold obligations issued by public bodies or other
261 users at such prices and in such manner as the center shall deem advisable and sell such bonds
262 acquired or held by it at prices without relation to cost and in such manner as the center shall
263 deem advisable and to secure its own issues of bonds with such obligations held by it;

264 (16) to act as the central entity and coordinating organization of quantum initiatives on
265 behalf of the commonwealth and to work in collaboration with governmental entities, bodies,
266 centers, institutes and facilities and promote all areas of quantum research and innovation to
267 advance the commonwealth's interests and investments in quantum industries;

268 (17) to promulgate a code of ethics to address collaborative state and business research
269 activities; provided, further, that said code of ethics shall include recommendations, and

270 proposed legislation if necessary, addressing the issue of exclusive licensing agreements for
271 intellectual property developed using state funds between state-funded colleges and universities
272 and private companies and institutions. Said code shall be forwarded to the clerks of the house
273 and senate who shall forward the same to the joint committee on economic development and
274 emerging technologies.

275 (18) to enter into agreements with public and private entities that deal primarily with
276 quantum science, nanotechnology, and related technology fields in order to distribute and
277 provide leveraging of monies or services for the purposes of furthering scientific research in the
278 commonwealth, aiding in the promotion the quality of quantum of residents, fostering jobs in
279 quantum industries, and promoting overall economic growth within the commonwealth by
280 fostering collaboration and investments in quantum sciences in the commonwealth;

281 (19) to provide and pay for such advisory services and technical assistance as may be
282 necessary or desired to carry out the purposes of this chapter;

283 (20) to establish and collect such fees and charges as the center without further
284 appropriation shall determine to be reasonable; and to receive and apply revenues from fees and
285 charges to the purposes of the center or allotment by the commonwealth or any political
286 subdivision thereof;

287 (21) to make loans to any person for the acquisition, construction, alteration, or any
288 combination thereof, or other financing of a project, including but not limited to loans to lending
289 institutions under terms and conditions requiring the proceeds of such loans to be used by such
290 lending institutions for the making of loans to users for qualified projects;

291 (22) to disburse, appropriate, grant, loan or allocate funds for the purposes of investing in
292 quantum industries and emerging technologies, as directed in this chapter;

293 (23) to provide assistance to local entities, local authorities, public bodies and private
294 corporations for the purposes of maximizing opportunities for the expansion of quantum
295 industries and advanced technologies in the commonwealth and attracting new quantum entities
296 and advanced technology investments to Massachusetts, fostering new innovative research
297 applications to the commonwealth and creating new manufacturing and development initiatives
298 in the commonwealth;

299 (24) to prepare, publish and distribute, with or without charge, as the center may
300 determine, such studies, reports and bulletins and other material as the Center deems appropriate;

301 (25) to exercise any other powers of a corporation organized under chapter 156B; and

302 (26) to engage accountants, architects, attorneys, engineers, planners, real estate experts
303 and other consultants as may be necessary in its judgment to carry out the purposes of this act
304 and fix their compensation;

305 (27) to take any actions necessary or convenient to the exercise of any power or the
306 discharge of any duty provided for by this act;

307 (28) enter into agreements or other transactions with any person, including without
308 limitation any public entity or other governmental instrumentality or agency in connection with
309 its powers and duties under this chapter;

310 (29) to institute and administer the Massachusetts Quantum Investment Fund, established
311 pursuant to section 4 for the purposes of making appropriations, allocations, grants or loans to

312 leverage development and investments in quantum science. The center shall implement an
313 application and grant process for these purposes.

314 (30) to operate as a licensed small business investment corporation pursuant to the
315 provisions of the Small Business Investment Act of 1958, 15 U.S.C. section 661 et seq., as
316 amended; provided, however, that as an alternative, the board may establish a subsidiary
317 corporation to operate as a licensed small business investment corporation pursuant to said Small
318 Business Investment Act of 1958, 15 U.S.C. section 661 et seq., and to make investments in
319 qualified securities of enterprises through such subsidiary;

320 (31) to track and report to the general court on federal initiatives that have an impact on
321 quantum science companies doing business in the commonwealth; and

322 (32) to create award programs to acknowledge successful companies, public and private
323 institutions and programs in industry-specific areas, as determined by the center.

324 (33) to facilitate the growth of the industry by matching industrial needs with local site
325 specific opportunities by: establishing a directory of commercial spaces across the
326 Commonwealth which meet a variety of industrial use cases; serving as a central, individualized
327 clearinghouse on behalf of state and local government for firms seeking to expand, move within
328 or relocate to the Commonwealth.

329 Section 4. (a) There shall be established a commonwealth quantum investment program
330 which shall be administered by the center. The purpose of the program shall be to expand
331 quantum sciences-related employment opportunities in the commonwealth by supporting and
332 stimulating research and development, manufacturing and commercialization in quantum

333 industries. Quantum sciences companies certified pursuant to subsection (b) shall be eligible for
334 participation in the program.

335 (b) The center may, upon a majority vote of the board, certify a quantum company as a
336 certified quantum company upon: (i) the timely receipt, as determined by the center, of a
337 certification proposal supported by independently verifiable information, signed under the pains
338 and penalties of perjury by a person expressly authorized to contract on behalf of the quantum
339 company and which shall include, but not be limited to: (A) an estimate of the projected new
340 state revenue the company expects to generate during the period for which the company seeks
341 certification, together with a plan, including precise goals and objectives, by which the company
342 proposes to achieve the projected new state revenue, including for each tax year, an estimate of
343 new commercial revenue that the commonwealth would not otherwise have received, an estimate
344 of the number of permanent full-time employees to be hired or retained, an estimate of the year
345 in which the company expects to hire or retain the employees, an estimate of the projected
346 average salaries of said employees, an estimate of the projected taxable income pursuant to
347 chapter 62 or 63 generated by said employees and an estimate of the methods by which the
348 company shall obtain new employees and pursue a diverse workforce; (B) documentation of an
349 agreement, if any, between the company and banking institutions with which the company shall
350 have agreed to establish accounts and by which the banking institutions shall have agreed to
351 commit a specified percentage of the funds deposited in the accounts for loans made thereby to
352 companies under the small business capital access program established pursuant to section 57 of
353 chapter 23A; and (C) if appropriate, documentation that the company has received approval for a
354 certified project, pursuant to section 3F of chapter 23A; and (ii) findings made by the center,
355 based on the certification proposal, documents submitted therewith and any additional

356 investigation by the center, and incorporated in its approval, that: (A) the company shall meet all
357 statutory requirements and any other criteria that the center may prescribe including, but not
358 limited to criteria in the following areas: whether the company has sufficient business contacts
359 with the commonwealth as evidenced by its business activity within the commonwealth
360 including, but not limited to, the number of full-time employees employed in the commonwealth;
361 the company's potential to further technological advancements; the company's potential to offer a
362 breakthrough medical treatment for a particular disease, or medical condition; the company's
363 potential for leveraging additional funding or attracting additional resources to the
364 commonwealth; the company's potential to promote quantum sciences manufacturing in the
365 commonwealth; and evidence of potential royalty income and contractual means to recapture
366 such income for the purposes of this chapter, as the center considers appropriate; and (B) a
367 certified quantum sciences company shall meet the new state revenue and employment growth
368 projections, as specified in the certification proposal, over the period for which it receives
369 benefits.

370 (c) A certified quantum sciences company may, upon a majority vote of the board, be
371 eligible for the following benefits which shall be awarded by the board on a competitive basis:
372 (1) benefits from the quantum sciences tax incentive program established by subsection (d); (2)
373 grants, loans or other investments from the Massachusetts Quantum Investment Fund established
374 by section 5; (3) equity investments from the Small Business Equity Investment Fund established
375 by section 6; (4) assistance from the center to obtain designation as a certified project as defined
376 in section 3A of chapter 23A; (5) assistance from the center in accessing economic incentive
377 programs within the Massachusetts office of business development, including access to the
378 technical, human, financial, training, educational and site-finding resources necessary to expand

379 or locate in the commonwealth; (6) assistance from the center in obtaining federal grants; (7)
380 assistance from the center in facilitating clinical trials; (8) preference for funding for quantum
381 science job training programs; or (19) preference for pre-permitted industrial land as identified
382 by the Massachusetts Development Finance Agency.

383 (d) There shall be established a quantum tax incentive program. The center, in
384 consultation with the department, may annually authorize incentives, including incentives carried
385 forward or refunded pursuant to subsections (m), (n) and (r) of section 6 of chapter 62, paragraph
386 17 of section 30 of chapter 63, the second time it appears, section 31M of said chapter 63, the
387 second time it appears, paragraph 6 of subsection (f) of section 38 of said chapter 63, subsection
388 (j) of section 38M of said chapter 63, section 38U of said chapter 63, section 38V of said chapter
389 63, section 38W of said chapter 63, section 38CC of said chapter 63, the second paragraph of
390 subsection (c) of section 42B of said chapter 63 and subsection (xx) of section 6 of chapter 64H
391 in a cumulative amount, including the current year cost of incentives allowed in previous years,
392 that shall not exceed \$500,000,000 annually. The center may, in consultation with the
393 department, limit any incentive to a specific dollar amount or time duration or in any other
394 manner deemed appropriate by the department; provided, however, that the department shall
395 only allocate any such incentives among commonwealth certified quantum sciences companies
396 pursuant to subsection (b) and shall award such tax incentives pursuant to subsection (c).

397 The center shall provide an estimate to the secretary of administration and finance of the
398 tax cost of extending benefits to a proposed project before certification, as approved by the
399 commissioner of revenue, based on reasonable projections of project activities and costs. Tax
400 incentives shall not be available to a certified quantum sciences company unless expressly
401 granted by the secretary of administration and finance in writing.

402 (e)(1) Certification granted pursuant to subsection (b) shall be valid for 5 years starting
403 with the tax year in which certification is granted. Each certified quantum sciences company
404 shall file an annual report with the center detailing whether it has met the specific targets
405 established in the proposal pursuant to subclause (A) of clause (i) of subsection (b).

406 (2) The certification of a quantum sciences company may be revoked by the center after
407 an independent investigation and determination that representations made by the certified
408 quantum sciences company in its certification proposal are materially at variance with the
409 conduct of the company after receiving certification; provided, however, that the center shall
410 review the certified quantum sciences company at least annually; provided, further, that a project
411 with an actual return on investment that is less than 70 per cent of the return on investment
412 projected in the certification proposal shall be deemed to contain a material variance for a
413 revocation determination. If the center determines not to revoke certification upon a finding that
414 the actual return on investment for the project is less than 70 per cent, the center shall provide its
415 reasons for the decision in writing to the secretary of administration and finance, the
416 commissioner of revenue and the clerks of the house of representatives and the senate, who shall
417 forward the same to the house and senate committees on ways and means, the joint committee on
418 revenue and the joint committee on economic development and emerging technologies. The
419 center shall post these reasons on the internet for public access.

420 (3) Under this subsection, revocation shall take effect on the first day of the tax year in
421 which the center determines that a material variance commenced. The commissioner of revenue
422 shall, as of the effective date of the revocation, disallow any credits, exemptions or other tax
423 benefits allowed by the original certification of tax benefits under this section. The department
424 shall issue regulations to recapture the value of any credits, exemptions or other tax benefits

425 allowed by the certification under this section; provided, however, that the recapture provisions
426 in subsection (m) of section 6 of chapter 62 and section 38U of chapter 63 shall apply. If the
427 original certification allowed sales and use tax exemptions pursuant to subsection (xx) of section
428 6 of chapter 64H, the purchaser shall accrue use tax as of the date of revocation on a portion of
429 the sales price on which exemption was claimed that is proportionate to the remaining useful
430 quantum of the property.

431 (4) Nothing in this subsection shall limit any legal remedies available to the
432 commonwealth against any certified quantum sciences company.

433 (f) Capital funding may be revoked only by the center after an independent investigation
434 and determination that representations made by the company in its certification proposal are
435 materially at variance with the conduct of the company after certification; provided, further, that
436 a quantum sciences company generating less than 70 per cent of the projected new state revenue
437 in the certification proposal shall be deemed to contain a material variance for the purposes of a
438 revocation determination. If the center does not revoke certification despite said material
439 variance, the center shall provide its reasons for the decision in writing to the secretary of
440 administration and finance, the commissioner of revenue and the clerks of the house of
441 representatives and the senate, who shall forward the same to the house and senate committees
442 on ways and means, the joint committee on bonding, capital expenditures and state assets and the
443 joint committee on economic development and emerging technologies. A notice of revocation
444 under this subsection shall specify the date on which the revocation is effective, which shall be
445 the date of the notice or the date on which the center determined that the material variance
446 commenced. The secretary of administration and finance shall, as of the effective date of the
447 revocation, disallow any loans, grants or other benefits allowed by the original certification

448 under this section. The department may issue regulations to recapture any grants or loans
449 allowed by the certification under this section.

450 (g) The center shall revoke the certification of a quantum sciences company when
451 independent investigations conducted in 2 consecutive years determine that representations made
452 by the company in its project proposal are deemed materially at variance, pursuant to paragraph
453 (2) of subsection (e) or subsection (f).

454 (h) The board, in consultation with the executive office of administration and finance
455 and the executive office of economic development, shall promulgate rules, regulations or
456 guidelines necessary to carry out the provisions of this section.

457 Section 5. (a) There shall be established and placed within the center a fund to be known
458 as the Massachusetts Quantum Investment Fund, hereinafter in this section referred to as the
459 fund, to be held by the center separate and apart from its other funds, to finance the activities of
460 the center. The fund shall be credited any appropriations, bond proceeds or other monies
461 authorized by the general court and specifically designated to be credited thereto, such additional
462 funds as are subject to the direction and control of the center, any pension funds, federal grants
463 or loans, royalties or private investment capital which may properly be applied in furtherance of
464 the objectives of the fund, any proceeds from the sale of qualified investments secured or held by
465 the fund, any fees and charges imposed relative to the making of qualified investments as defined
466 by the center, secured or held by the fund and any other monies which may be available to the
467 center for the purposes of the fund from any other source or sources. Any revenues, deposits,
468 receipts, or funds received through the receipt of royalties, interest, dividends, or the sale of
469 equity instruments shall be deposited in the fund, and shall be available to the center for the

470 purposes described in this section, without further appropriation. All available moneys in the
471 fund that are unexpended at the end of each fiscal year shall not revert to the General Fund and
472 shall be available for expenditure in the subsequent fiscal year.

473 (b) The center shall invest and reinvest the fund and the income thereof only as follows:

474 (1) making qualified investments pursuant to subsection (c); (2) defraying the ordinary and
475 necessary expenses of administration and operation associated with the center; provided,
476 however, that said administrative and operational expenses shall not exceed 15 per cent of the
477 maximum amount authorized to be expended from the fund in a fiscal year; (3) investing any
478 funds not required for immediate disbursement in the purchase of such securities as may be
479 lawful investments for fiduciaries in the commonwealth; (4) paying binding obligations
480 associated with such qualified investments which shall be secured by the fund as the same
481 become payable; and (5) paying principal or interest on qualified investments secured by the
482 fund or paying any redemption premium required to be paid when such qualified investments
483 shall be redeemed prior to maturity; provided, however, that monies in the fund shall not be
484 withdrawn at any time in such an amount as would reduce the amount of the fund to less than the
485 minimum requirement thereof established by the board, except for the purpose of paying binding
486 obligations associated with qualified investments which shall be secured by the fund as the same
487 become payable.

488 (c) The fund shall be held and applied by the center, subject to the approval of the board,
489 to make qualified investments, grants, research and other funding and loans designed to advance
490 the following public purposes for the quantum sciences in the commonwealth: (1) to stimulate
491 increased financing for the expansion of research and development by leveraging private
492 financing for highly productive state-of-the-art research and development facilities, equipment

493 and instrumentation and by providing financing related thereto including, but not limited to,
494 financing for the construction or expansion of such new facilities; (2) to make targeted
495 investments, including research funding, proof of concept funding and funding for the
496 development of devices, drugs or therapeutics and to promote manufacturing activities for new
497 or existing advanced technologies and quantum research; (3) to make matching grants to
498 colleges, universities, independent research institutions, nonprofit entities, public
499 instrumentalities, companies and other entities in connection with support from the federal
500 government, industry and other grant-funding sources related to the expansion of research and
501 development and to increase and strengthen economic development, employment opportunities
502 and commercial and industrial sectors in the field of quantum; (4) to provide bridge financing to
503 colleges, universities, independent research institutions, nonprofit entities, public
504 instrumentalities, companies and other entities for the receipt of grants as described in clause (3)
505 awarded or to be awarded by the federal government, industry or other sources; (5) to provide
506 fellowships, co-ops, high school internships, for which additional consideration shall be given to
507 minority students at schools where at least 80 per cent of the student population is eligible for
508 free or reduced lunch, college internships, for which additional consideration shall be given to
509 minority students enrolled full-time or part-time at a community college, loans and grants; (6) to
510 provide workforce training grants to prepare individuals for quantum careers; (7) to provide
511 funding for development, coordination and marketing of higher education programs; (8) to make
512 qualified grants to certified quantum companies for site remediation, preparation and ancillary
513 infrastructure improvement projects; and (9) to otherwise further the public purposes set forth
514 herein; provided further, that the center shall file an annual report, not later than December 1,
515 with the house and senate committees on ways and means detailing the following: (i) the total

516 funds expended on high school internships; (ii) the total funds expended on college internships;
517 (iii) the number of students participating in the internship programs from each high school,
518 school district, college and university in the commonwealth; (iv) the percentage of high school
519 internships awarded to minority students attending schools where at least 80 per cent of the
520 student population is eligible for free or reduced lunch; (v) the percentage of college internships
521 awarded to minority students enrolled full-time or part-time at a community college; (vi) the
522 racial and ethnic composition of the high school and college internship programs; and (vii) an
523 analysis of the impact of the college internship program on the ability of its participants to enter
524 the full-time job market in the quantum science industries after graduation.

525 (d) Proceeds of the fund may be used by the center to fund quantum sciences initiatives
526 including: (1) international trade initiatives; (2) qualified grants to graduate level and doctoral
527 students and post-doctoral fellows for living expenses from the Higher Education Grant Fund
528 established by section 8; (3) equity investments from the Small Business Equity Investment Fund
529 established by section 7; (4) joint academic and industrial research and development and
530 commercial business exchanges between the commonwealth and Israel, in collaboration with the
531 Massachusetts international trade council; (5) the Massachusetts Technology Transfer Center,
532 established by section 12 of chapter 40G to fund activities that facilitate the transfer of
533 technology from the commonwealth's research institutions to the commonwealth's quantum
534 industries, for productive use by such industries and to make targeted investments in proof of
535 concept funding for emerging technologies; (6) the Massachusetts Science, Technology
536 Engineering, and Mathematics Grant Fund, established by section 2MMM of chapter 29; or (7) a
537 program to promote the research and development of plant-made pharmaceuticals and industrial
538 products through field trials, in collaboration with the department of agricultural resources.

539 (e) The center shall make no such qualified investment pursuant to clause (1) of
540 subsection (b) unless: (1) said investment has been approved by a majority vote of the board; (2)
541 the recipient is a certified quantum sciences company pursuant to section 5 or a project or
542 initiative listed in subsection (d); (3) the center finds, to the extent possible, that a definite benefit
543 to the commonwealth's economy may reasonably be expected from said qualified investment;
544 provided, further, that in evaluating a request or application for funding, the center shall consider
545 the following: (i) the appropriateness of the project; (ii) whether the project has significant
546 potential to expand employment; (iii) the project's potential to enhance technological
547 advancements; (iv) the project's potential to lead to a breakthrough medical treatment for a
548 particular disease or medical condition; (v) the project's potential for leveraging additional
549 funding or attracting resources to the commonwealth; (vi) the project's potential to promote
550 manufacturing in the commonwealth; and (vii) evidence of potential royalty income and
551 contractual means to recapture such income for the purposes of this chapter, as the center
552 considers appropriate; (4) to the extent said investment is a capital investment made pursuant to
553 clause (8) of subsection (c), the investment has been approved by the secretary of the executive
554 office of administration and finance upon request of the center; provided, however, that said
555 request shall be submitted to the secretary in writing and shall, include but not be limited to: (i) a
556 description of the project or program to be funded; (ii) the economic benefits to the
557 commonwealth which can reasonably be expected from said project or program; (iii) a copy of
558 the proposed contract or other document executing the transaction between the center and the
559 recipient of the funds; (iv) a description of the contractual or other legal remedies available to the
560 center upon non-performance of the contract or other document executing the transaction by the
561 recipient including, but not limited to, any provisions for restitution or reimbursement of the

562 funds granted, loaned or otherwise invested in or with the recipient; and (v) any other
563 information as the secretary may determine; and (5) said qualified investment conforms with the
564 rules approved by the board.

565 Said rules shall set the terms and conditions for investments which shall constitute
566 qualified investments including, but not limited to, loans, guarantees, loan insurance or
567 reinsurance, equity investments, grants awarded pursuant to clause (3) of subsection (c), other
568 financing or credit enhancing devices, as established by the center directly or on its own behalf
569 or in conjunction with other public instrumentalities, or private institutions or the federal
570 government. Said rules shall provide that qualified investments made pursuant to clauses (1) and
571 (2) of said subsection (c) shall involve a transaction with the participation of at least 1 at-risk
572 private party.

573 Said rules shall establish the terms, procedures, standards and conditions which the center
574 shall employ to identify qualified applications, process applications, make investment
575 determinations, safeguard the fund, advance the objective of increasing employment
576 opportunities, oversee the progress of qualified investments and secure the participation of other
577 public instrumentalities, private institutions or the federal government in such qualified
578 investments. Said rules shall provide for negotiated intellectual property agreements between the
579 center and a qualified investment recipient which shall include the terms and conditions by
580 which the fund's support may be reduced or withdrawn.

581 (f) The center may solicit investments by private institutions or investors in the activities
582 of the fund and may reach agreements with such private institutions or investors regarding the
583 terms of any such investments including, but not limited to, the rights of such investors to

584 participate in the income or appropriation of the fund. To further the objective of securing
585 investments by private institutions or investors in the activities of the fund pursuant to the
586 preceding sentence, the center may develop a proposal creating a separate investment entity
587 which shall permit the commingling of the fund's resources with the maximum participation by
588 such private institutions or investors in a manner consistent with the public purpose of the fund
589 and under the terms and conditions established to protect and preserve the assets of the fund.

590 (g) Copies of the approved rules, and any modifications, shall be submitted to the clerks
591 of the house of representatives and the senate, who shall forward the same to the house and
592 senate committees on ways and means and the joint committee on economic development and
593 emerging technologies.

594 (h) Qualified investment transactions made by the center pursuant to this section shall
595 not, except as specified in this chapter, be subject to chapter 175, or any successor thereto, and
596 shall be payable solely from the Massachusetts Quantum Investment Fund established by this
597 section and shall not constitute a debt or pledge of the full faith and credit of the commonwealth,
598 the center or any subdivision of the commonwealth.

599 (i) The center shall not make expenditure from or commitment of the assets of the fund
600 including, but not limited to, the making of qualified investments secured by the fund, if
601 following the making of said qualified investment, the amount of the fund shall be less than the
602 minimum requirement established by the board.

603 Section 6. (a) There shall be established and placed within the center a fund to be known
604 as the Small Business Equity Investment Fund, hereinafter in this section referred to as the fund,
605 to be held by the center separate and apart from its other funds. The fund shall be credited any

606 appropriations, bond proceeds or other monies authorized by the general court and specifically
607 designated to be credited thereto, such additional funds as are subject to the direction and control
608 of the center, any pension funds, federal grants or loans, royalties or private investment capital
609 which may properly be applied in furtherance of the objectives of the fund, any proceeds from
610 the sale of qualified investments secured or held by the fund, any fees and charges imposed
611 relative to the making of qualified investments as defined by the center, secured or held by the
612 fund and any other monies which may be available to the center for the purposes of the fund
613 from any other source or sources. Any revenues, deposits, receipts, or funds received through the
614 receipt of royalties, interest, dividends, or the sale of equity instruments shall be deposited in the
615 fund, and shall be available to the center for the purposes described in this section, without
616 further appropriation. All available moneys in the fund that are unexpended at the end of each
617 fiscal year shall not revert to the General Fund and shall be available for expenditure in the
618 subsequent fiscal year.

619 (b) The center shall invest and reinvest the fund and the income thereof only as follows:
620 (1) making qualified equity investments pursuant to subsection (c); (2) investing funds not
621 required for immediate disbursement in the purchase of such securities as may be lawful
622 investments for fiduciaries in the commonwealth; (3) paying binding obligations associated with
623 such qualified investments which shall be secured by the fund as the same become payable; and
624 (4) paying principal or interest on qualified investments secured by the fund or paying any
625 redemption premium required to be paid when such qualified investments shall be redeemed
626 prior to maturity; provided, however, that monies in the fund shall not be withdrawn at any time
627 in such an amount as would reduce the amount of the fund to less than the minimum requirement

628 thereof established by the board, except for the purpose of paying binding obligations associated
629 with qualified investments which shall be secured by the fund as the same become payable.

630 (c) The fund shall be held and applied by the center to make qualified equity investments
631 in enterprises seeking to raise seed capital; provided, however, that said qualified equity
632 investments shall not exceed \$6,000,000 in any 1 enterprise. The center shall not make such
633 qualified equity investments unless: (1) said investment has been approved by a majority vote of
634 the board; (2) the recipient is a quantum sciences company certified pursuant to section 5; and
635 (3) the center finds, to the extent possible, that a definite benefit to the commonwealth's economy
636 may reasonably be expected from said qualified investment. In evaluating a request or
637 application for funding, the center shall consider whether: (i) the proceeds of the equity
638 investment shall only be used to cover the seed capital needs of the enterprise except as
639 hereinafter authorized; (ii) the enterprise has a reasonable chance of success; (iii) the center's
640 participation is necessary to the success of the enterprise because funding for the enterprise is
641 unavailable in the traditional capital markets or contingent upon matching funds, or because
642 funding has been offered on terms that would substantially hinder the success of the enterprise;
643 (iv) the enterprise has reasonable potential to create a substantial amount of primary employment
644 in the commonwealth; (v) the enterprise's principals have made or are prepared to make a
645 substantial financial and time commitment to the enterprise; (vi) the securities to be purchased
646 shall be qualified securities; (vii) there shall be a reasonable possibility that the center shall, at a
647 minimum, recoup its initial investment; (viii) binding commitments have been made to the center
648 by the enterprise for adequate reporting of financial data to the center, which shall include a
649 requirement for an annual or other periodic audit of the books of the enterprise, and for such
650 control on the part of the center as the board shall consider prudent over the management of the

651 enterprise, to protect the investment of the center including the board's right to access, without
652 limitation, financial and other records of the enterprise; and (ix) a reasonable effort has been
653 made to find a professional investor to invest in the enterprise and such effort was unsuccessful;
654 and (4) said qualified equity investment conforms with the rules approved by the board.

655 Said rules shall establish the terms, procedures, standards and conditions which the center
656 shall employ to identify qualified applications, process applications, make investment
657 determinations, safeguard the fund, advance the objective of increasing employment
658 opportunities, oversee the progress of qualified equity investments and secure the participation of
659 other public instrumentalities, private institutions or the federal government in such qualified
660 equity investments. Said rules shall provide that each recipient of a qualified investment shall be
661 required to pay a fee as a condition of such receipt, and said fee may take the form of points, an
662 interest rate premium or a contribution of warrants or other forms of equity or consideration to
663 the fund. Said rules shall provide for negotiated agreements between the center and each
664 recipient of a qualified investment regarding the terms and conditions by which the fund's
665 support thereof could be reduced or withdrawn.

666 (d) The center may solicit investments by private institutions or investors in the activities
667 of the fund and may reach agreements with such private institutions or investors regarding the
668 terms of such investments including, but not limited to, the rights of such investors to participate
669 in the income or appropriation of the fund. To further the objective of securing investments by
670 private institutions or investors in the activities of the fund pursuant to the preceding sentence,
671 the center may develop a proposal relative to the creation of a separate investment entity which
672 shall permit the commingling of the fund's resources with the maximum participation by such

673 private institutions or investors consistent with the public purpose of the fund and under the
674 terms and conditions established to protect and preserve the assets of the fund.

675 (e) Copies of the approved rules, and any modifications thereto, shall be submitted to the
676 clerks of the house of representatives and the senate, who shall forward the same to the house
677 and senate committees on ways and means and the joint committee on economic development
678 and emerging technologies.

679 (f) Qualified equity investment transactions made by the center pursuant to this section
680 shall not, except as specified in this chapter, be subject to chapter 175, or any successor thereto,
681 and shall be payable solely from the Small Business Equity Investment Fund established by this
682 section and shall not constitute a debt or pledge of the full faith and credit of the commonwealth,
683 the center or any subdivision of the commonwealth.

684 (g) The center shall not make expenditure from or commitment of the assets of the fund
685 including, but not limited to, the making of qualified investments secured by the fund, if
686 following the making of said qualified investment, the amount of the fund shall be less than the
687 minimum requirement established by the board.

688 Section 7. (a) There shall be established and placed within the center a fund to be known
689 as the Higher Education Grant Fund, hereinafter in this section referred to as the fund, to be held
690 by the center separate and apart from its other funds. The fund shall be credited any
691 appropriations, bond proceeds or other monies authorized by the general court and specifically
692 designated to be credited thereto, such additional funds as are subject to the direction and control
693 of the center, any pension funds, federal grants or loans, royalties or private investment capital
694 which may properly be applied in furtherance of the objectives of the fund, any proceeds from

695 the sale of qualified investments secured or held by the fund, any fees and charges imposed
696 relative to the making of qualified investments as defined by the center, secured or held by the
697 fund and any other monies which may be available to the center for the purposes of the fund
698 from any other source or sources. Any revenues, deposits, receipts, or funds received through the
699 receipt of royalties, interest, dividends, or the sale of equity instruments shall be deposited in the
700 fund, and shall be available to the center for the purposes described in this section, without
701 further appropriation. All available moneys in the fund that are unexpended at the end of each
702 fiscal year shall not revert to the General Fund and shall be available for expenditure in the
703 subsequent fiscal year.

704 (b) The center shall invest and reinvest the fund and the income thereof only as follows:
705 (1) making qualified grants pursuant to subsection (c); (2) investing funds not required for
706 immediate disbursement in the purchase of such securities as may be lawful investments for
707 fiduciaries in the commonwealth; (3) paying binding obligations associated with such qualified
708 investments which shall be secured by the fund as the same become payable; and (4) paying
709 principal or interest on qualified investments secured by the fund or paying any redemption
710 premium required to be paid when such qualified investments shall be redeemed prior to
711 maturity; provided, however, that monies in the fund shall not be withdrawn at any time in such
712 an amount as would reduce the amount of the fund to less than the minimum requirement thereof
713 established by the center, except for the purpose of paying binding obligations associated with
714 qualified investments which shall be secured by the fund as the same become payable.

715 (c) The fund shall be held and applied by the center to make qualified grants to graduate
716 level and doctoral students and post-doctoral fellows studying or employed in quantum science
717 for living expenses; provided, however, that the center shall make no such qualified grants unless

718 said grant has been approved by a majority vote of the board. Grants awarded from the fund
719 shall, in addition to any restrictions adopted by the center, shall be awarded in \$10,000
720 increments not to exceed \$30,000 annually per recipient and further restrictions include: (1)
721 recipients shall be enrolled in a graduate or doctorate level program or shall be working as
722 postdoctoral fellows at a college, university, independent research institution or an academic
723 medical center in the commonwealth; (2) recipients shall be commonwealth residents; and (3)
724 the annual total household income of a recipient shall not exceed 300 per cent of the federal
725 poverty level. The center shall make no such qualified grants pursuant to said clause (1) of said
726 subsection (b) unless such qualified grant conforms with rules approved by the board.

727 Said rules shall establish the terms and conditions for grants which constitute qualified
728 grants and shall establish the terms, procedures, standards and conditions which the center shall
729 employ to identify qualified applications, process applications, make grant determinations,
730 safeguard the fund, oversee the progress of qualified grants and secure the participation of other
731 public instrumentalities, private institutions or the federal government in such qualified grants.

732 (d) The center may solicit investments by private institutions or investors in the activities
733 of the fund and may reach agreements with such private institutions or investors regarding the
734 terms of any such investments including, but not limited to, the rights of such investors to
735 participate in the income or appropriation of the fund. To further the objective of securing
736 investments by private institutions or investors in the activities of the fund pursuant to the
737 preceding sentence, the center may develop a proposal creating a separate investment entity
738 which shall permit the commingling of the fund's resources with the maximum participation by
739 such private institutions or investors in a manner consistent with the public purpose of the fund
740 and under the terms and conditions established to protect and preserve the assets of the fund.

741 (e) Copies of the approved rules, and any modifications thereto, shall be submitted to the
742 clerks of the house of representatives and the senate, who shall forward the same to the house
743 and senate committees on ways and means and the joint committee on economic development
744 and emerging technologies.

745 (f) Qualified grants and investment transactions made by the center pursuant to the
746 provisions of this section shall not, except as specified in this chapter, be subject to the
747 provisions of chapter 175, or any successor thereto, and shall be payable solely from the Higher
748 Education Grant Fund, established by this section and shall not constitute a debt or pledge of the
749 full faith and credit of the commonwealth, the center or any subdivision of the commonwealth.

750 (g) The center shall not make expenditure from or commitment of the assets of the fund
751 including, but not limited to, the making of qualified investments secured by the fund, if
752 following the making of said qualified investment, the amount of the fund shall be less than the
753 minimum requirement established by the board.

754 Section 8. (a) There shall be established and placed within the center the Massachusetts
755 Small Business Matching Grant Fund, hereinafter referred to in this section as the fund, to be
756 held by the center separate and apart from its other funds. The fund shall be credited any
757 appropriations, bond proceeds or other monies authorized by the general court and specifically
758 designated to be credited thereto, such additional funds as are subject to the direction and control
759 of the center, any pension funds, federal grants or loans, royalties or private investment capital
760 which may properly be applied in furtherance of the objectives of the fund, any proceeds from
761 the sale of qualified investments secured or held by the fund, any fees and charges imposed
762 relative to the making of qualified investments as defined by the center, secured or held by the

763 fund and any other monies which may be available to the center for the purposes of the fund
764 from any other source or sources. Any revenues, deposits, receipts, or funds received through the
765 receipt of royalties, interest, dividends, or the sale of equity instruments shall be deposited in the
766 fund, and shall be available to the center for the purposes described in this section, without
767 further appropriation. All available moneys in the fund that are unexpended at the end of each
768 fiscal year shall not revert to the General Fund and shall be available for expenditure in the
769 subsequent fiscal year.

770 (b) The center shall invest and reinvest the fund and the income thereof only as follows:

771 (1) making qualified grants pursuant to subsection (c); (2) investing any funds not required for
772 immediate disbursement in the purchase of such securities as may be lawful investments for
773 fiduciaries in the commonwealth; (3) paying binding obligations associated with such qualified
774 investments which shall be secured by the fund as the same become payable; and (4) paying
775 principal or interest on qualified investments secured by the fund or paying any redemption
776 premium required to be paid when such qualified investments shall be redeemed prior to
777 maturity; provided, however, that monies in the fund shall not be withdrawn at any time in such
778 an amount as would reduce the amount of the fund to less than the minimum requirement thereof
779 established by the center, except for the purpose of paying binding obligations associated with
780 qualified investments which shall be secured by the fund as the same become payable.

781 (c) Notwithstanding any provision of this chapter to the contrary, a company need not be
782 a certified quantum company, as established in section 4, to be eligible for matching grants
783 pursuant to this section. The fund shall be held and applied by the center to make qualified loans,
784 grants or other investments to stimulate increased financing for quantum sciences and high
785 technology research and development, manufacturing and commercialization in the

786 commonwealth by matching grants to public agencies, independent research institutions,
787 nonprofits or to quantum sciences or high technology companies to increase and strengthen the
788 commonwealth's economic development, employment opportunities and commercial and
789 industrial sectors. The fund shall provide matching grants to commonwealth-based quantum
790 sciences or high technology companies that receive small business innovation research or small
791 business technology transfer grants from the Small Business Administration, pursuant to 15
792 U.S.C. section 638, to assist companies that have developed new commercialization-ready
793 technologies to reach production and create manufacturing jobs in the commonwealth. Said
794 matching grants shall be used to create manufacturing jobs and may be used for, without
795 limitation, the creation of, and capital improvements for, production facilities, workforce
796 training, product marketing and purchasing infrastructure for product manufacturing. Said
797 matching grants shall be distributed to eligible companies that have commercialization-ready
798 technologies developed with assistance from the Small Business Administration in the form of
799 \$1 in matching funds for every \$1 granted from the small business innovation research phase IIB
800 grants, phase III grants and the commercialization pilot project established by 15 U.S.C. section
801 638. Said matching grants shall be awarded in consultation with the Small Business Association
802 of New England. No such grant to any company shall exceed \$5,000,000 annually and the center
803 shall make no such qualified loan, grant or other investment unless: (1) said loan, grant or
804 investment has been approved by a majority vote of the board; (2) the center finds that, to the
805 extent possible, a definite benefit to the commonwealth's economy may reasonably be expected
806 from said qualified loan, grant or investment; provided, however, that in evaluating a request or
807 application for funding, the center shall consider whether: (i) the loan, grant or investment shall
808 stimulate increased financing for quantum sciences and high technology research and

809 development, manufacturing and commercialization; (ii) the enterprise has a reasonable chance
810 of success; (iii) center participation is necessary; (iv) the enterprise has the reasonable potential
811 to create a substantial amount of new employment in the commonwealth; (v) the principals of the
812 enterprise have made or are prepared to make a substantial financial and time commitment to the
813 enterprise; (vi) binding commitments have been made to the center by the enterprise for adequate
814 reporting of financial data to the center, which shall include a requirement for an annual or other
815 periodic audit of the books of the enterprise, and for such control on the part of the center as the
816 board shall consider prudent over the management of the company to protect the investment of
817 the center including the board's right to access, without limitation, financial and other records of
818 the enterprise; and (vii) a reasonable effort has been made to find a professional investor to
819 invest in the enterprise and whether such effort was unsuccessful; and (3) said loan, grant or
820 other investment conforms with rules approved by the board.

821 Said rules shall define quantum sciences technology and high technology for purposes
822 hereof; provided, however, that such definition shall include companies engaging in research and
823 development, commercialization or manufacturing in the commonwealth. Said rules shall
824 establish the terms and conditions for investments which constitute qualified investments, and
825 may include, but not be limited to, loans, guarantees, loan insurance or reinsurance, equity
826 investments or other financing or credit enhancing devices, as made by the center directly or on
827 its own behalf or in conjunction with other public instrumentalities, private institutions or the
828 federal government. Said rules shall establish the terms, procedures, standards and conditions
829 which the center shall employ to identify qualified applications, process applications, make
830 investment determinations, safeguard the fund, advance the objective of increasing employment
831 opportunities for the citizens of the commonwealth, oversee the progress of qualified

832 investments and secure the participation of other public instrumentalities, private institutions or
833 the federal government in such qualified investments. Said rules shall provide that each recipient
834 of a qualified investment shall be required to pay a fee as a condition of such receipt, and said fee
835 may take the form of points, an interest rate premium or a contribution of warrants or other forms
836 of equity or consideration to the fund. Said rules shall provide for negotiated agreements
837 between the center and each recipient of a qualified investment regarding the terms and
838 conditions by which the fund's support thereof could be reduced or withdrawn.

839 (d) The center may solicit investments by private institutions or investors in the activities
840 of the fund and may reach agreements with such private institutions or investors regarding the
841 terms of any such investments including, but not limited to, the rights of such investors to
842 participate in the income or appropriation of the fund. To further the objective of securing
843 investments by private institutions or investors in the activities of the fund pursuant to the
844 preceding sentence, the center may develop a proposal relative to the creation of a separate
845 investment entity which shall permit the commingling of the fund's resources with the maximum
846 participation by such private institutions or investors consistent with the public purpose of the
847 fund and under the terms and conditions established to protect and preserve the assets of the
848 fund; provided, however, that if the creation or operation of such a separate entity would require
849 additional or clarifying amendments to the enabling act of the center, said proposal shall include
850 proposed statutory language with regard thereto. Any additional clarifying amendments to the
851 enabling act shall be submitted by the center to the clerks of the house of representatives and the
852 senate, who shall forward the same to the house and senate committees on ways and means and
853 the joint committee on economic development and emerging technologies.

854 (e) Copies of the approved rules, and any modifications thereto, shall be submitted to the
855 clerks of the house of representatives and the senate, who shall forward the same to the house
856 and senate committees on ways and means and the joint committee on economic development
857 and emerging technologies.

858 (f) Qualified investment transactions made by the center pursuant to the provisions of this
859 section shall not, except as specified in this chapter, be subject to the provisions of chapter 175,
860 or any successor thereto, and shall be payable solely from the Massachusetts Small Business
861 Matching Grant Fund, established by this section and shall not constitute a debt or pledge of the
862 full faith and credit of the commonwealth, the center or any subdivision of the commonwealth.

863 (g) The center shall not make expenditure from or commitment of the assets of the fund
864 including, but not limited to, the making of qualified investments secured by the fund, if
865 following the making of said qualified investment, the amount of the fund shall be less than the
866 minimum requirement established by the board.

867 (h) The center shall develop a plan ensuring that fund disbursements made pursuant to
868 this section shall be distributed throughout all regions of the commonwealth.

869 Section 9. (a) There shall be established and placed within the center a fund to be known
870 as the Massachusetts Quantum Sciences Education Fund, hereinafter in this section referred to as
871 the fund, to be held by the center separate and apart from its other funds. The fund shall be
872 credited any appropriations, bond proceeds or other monies authorized by the general court and
873 specifically designated to be credited thereto, such additional funds as are subject to the direction
874 and control of the center, any pension funds, federal grants or loans, royalties or private
875 investment capital which may properly be applied in furtherance of the objectives of the fund,

876 any proceeds from the sale of qualified investments secured or held by the fund, any fees and
877 charges imposed relative to the making of qualified investments as defined by the center, secured
878 or held by the fund and any other monies which may be available to the center for the purposes
879 of the fund from any other source or sources. Any revenues, deposits, receipts, or funds received
880 through the receipt of royalties, interest, dividends, or the sale of equity instruments shall be
881 deposited in the fund, and shall be available to the center for the purposes described in this
882 section, without further appropriation. All available moneys in the fund that are unexpended at
883 the end of each fiscal year shall not revert to the General Fund and shall be available for
884 expenditure in the subsequent fiscal year.

885 (b) The center shall invest and reinvest the fund and the income thereof only as follows:
886 (1) making qualified grants pursuant to subsection (c); (2) investing any funds not required for
887 immediate disbursement in the purchase of such securities as may be lawful investments for
888 fiduciaries in the commonwealth; (3) paying binding obligations associated with such qualified
889 investments which shall be secured by the fund as the same become payable; and (4) paying
890 principal or interest on qualified investments secured by the fund or paying any redemption
891 premium required to be paid when such qualified investments shall be redeemed prior to
892 maturity; provided, however, that monies in the fund shall not be withdrawn at any time in such
893 an amount as would reduce the amount of the fund to less than the minimum requirement thereof
894 established by the center, except for the purpose of paying binding obligations associated with
895 qualified investments which are secured by the fund as the same become payable.

896 (c) The fund shall be held and applied by the center to make qualified grants to
897 secondary, vocational and technical schools for purchasing or leasing necessary equipment to
898 train students in quantum sciences technology and research; provided, however, that the center

899 shall make no such qualified grants unless: (1) said grant has been approved by a majority vote
900 of the board; (2) the grant recipient shall be a secondary or vocational technical school; provided,
901 however, that if funds remain after consideration of grant applications submitted by secondary or
902 vocational technical schools, the center may make qualified grants to community colleges
903 established by chapter 15A or any other general or special law; (3) the grant recipient has
904 identified and properly trained instructors to use the equipment to be purchased or leased; and (4)
905 said qualified grants conform with the rules approved by the board.

906 Said rules shall set the terms and conditions for grants which constitute qualified grants
907 and shall set forth the terms, procedures, standards and conditions which the center shall employ
908 to identify qualified applications, process applications, make investment determinations,
909 safeguard the fund, advance the objective of increasing employment opportunities for the
910 citizens of the commonwealth, oversee the progress of qualified grants, and secure the
911 participation of other public instrumentalities, private institutions or the federal government in
912 such qualified grants.

913 (d) The center may solicit investments by private institutions or investors in the activities
914 of the fund and may reach agreements with such private institutions or investors regarding the
915 terms of any such investments including, but not limited to, the rights of such investors to
916 participate in the income or appropriation of the fund. To further the objective of securing
917 investments by private institutions or investors in the activities of the fund as established in the
918 preceding sentence, the center may develop a proposal relative to the creation of a separate
919 investment entity which shall permit the commingling of the fund's resources with the maximum
920 participation by such private institutions or investors in a manner consistent with the public

921 purpose of the fund and under terms and conditions established to protect and preserve the assets
922 of the fund.

923 (e) Copies of the approved rules, and any modifications thereto, shall be submitted to the
924 clerks of the house of representatives and the senate and shall forward the same to the house and
925 senate committees on ways and means and the joint committee on economic development and
926 emerging technologies.

927 (f) Qualified grants and investment transactions made by the center pursuant to the
928 provisions of this section shall not, except as specified in this chapter, be subject to the
929 provisions of chapter 175, or any successor thereto, and shall be payable solely from the
930 Massachusetts Quantum Sciences Education Fund, established by this section and shall not
931 constitute a debt or pledge of the full faith and credit of the commonwealth, the center or any
932 subdivision of the commonwealth.

933 (g) The center shall not make expenditure from or commitment of the assets of the fund
934 including, but not limited to, the making of qualified investments secured by the fund, if
935 following the making of said qualified investment, the amount of the fund shall be less than the
936 minimum requirement established by the board.

937 Section 10. There shall be a 19–member advisory board to be appointed by the governor,
938 the Speaker of the House of Representatives and the Senate President to advise the center. The
939 members shall include: Six appointed by the Speaker of the House including a leader or their
940 designee of a large corporation with significant investments in quantum computing, which may
941 include data center infrastructure, a leader or their designee of a medium or small quantum start
942 up corporation based in the Commonwealth, an academic who focuses on quantum research, a

943 sitting House Member, a Massachusetts resident who has made capital investments in Quantum
944 start-ups, a leader in workforce development; six appointed by the President of the Senate
945 including a leader or their designee of a large corporation with significant investments in
946 quantum computing, which may include data center infrastructure, a leader or their designee of a
947 medium or small quantum start up corporation based in the Commonwealth, an academic who
948 focuses on quantum research, a sitting member of the Senate, an intellectual property attorney
949 who practices in the Commonwealth, a leader in environmental advocacy; one appointed by the
950 Governor who shall be selected by a list of three offered by the Massachusetts Municipal
951 Association; the administrator of MassWorks as provided for in Section 63 of Chapter 23A or
952 their designee; the President of MassDevelopment or their designee; the Secretary of Labor and
953 Workforce Development or their designee; the President of the Commonwealth Corporation or
954 their designee; the Secretary of Education or their designee; and the Executive Director of the
955 Massachusetts Water Resources Authority or their designee.

956 Each member of the advisory board shall serve a term of two years, provided any non-ex-
957 officio member may be removed for any reason or no reason at all by their appointing authority,
958 and any member whose term has expired shall be eligible for reappointment without limit.

959 Members of the advisory board shall serve without compensation, provided, however,
960 they may seek reimbursement for expenses incurred pursuant to board work.

961 The Executive Office of Economic Development shall be responsible for facilitating the
962 clerical, administrative and reimbursement needs of the Commission.

963 Service on the advisory board shall not be construed as employment by Massachusetts
964 Quantum Center or the Commonwealth, and no benefits or pension eligibility shall issue as a
965 result of such service.

966 The advisory board shall meet at least four times each government fiscal year. The
967 advisory board may meet more frequently, and no limit shall be imposed, except one created by
968 the council itself, on the ability of subdivisions of the council to meet. The advisory board shall
969 provide sector specific insights, assist with program design and evaluation and enhance the
970 networking capacity of the agency.

971 The advisory board shall not be a state agency for the purposes of chapter 268A and shall
972 not be subject to section 11A1/2 of chapter 30A or chapter 66.

973 Section 11. The center shall develop a comprehensive, internet-based quantum sciences
974 sector database for the organization of all relevant information, as determined by the center,
975 related to the quantum sciences sector in the commonwealth. Access to said database shall be
976 limited at the discretion of the center's president. Any documentary materials or data received by
977 the center from any entity, private or public, for the express purpose of adding information to the
978 quantum science database shall be exempt from section 10 of chapter 66 and the board may hold
979 any discussion or consideration of database materials in executive session closed to the public,
980 notwithstanding the provisions of section 11A1/2 of chapter 30A, but the purpose of any such
981 executive session shall be set forth in the official minutes of the center and business not directly
982 related to such purpose shall not be transacted nor shall any vote be taken during such executive
983 session.

984 Section 12. (a) The exercise of the powers granted by this chapter shall be for the benefit
985 of the people of the commonwealth and for the improvement of their living conditions; and as
986 the operation of the center shall constitute the performance of essential governmental functions,
987 the center shall not be required to pay any taxes or assessments, except as otherwise provided by
988 this chapter, and the notes or bonds issued under this chapter, their transfer and the income
989 therefrom, including any profit made on the sale thereof, at all times shall be free from taxation
990 by and within the commonwealth.

991 (b) The lands and tangible personal property of the center shall be deemed to be public
992 property used for essential public and governmental purposes and shall be exempt from taxation
993 and from betterments and special assessments.

994 Section 13. The center shall annually complete a detailed report setting forth its
995 operations and accomplishments; its receipts and expenditures during such fiscal year; its assets
996 and liabilities at the end of its fiscal year; the anticipated return on investment to the
997 commonwealth from the investment of funds administered by the center during such fiscal year;
998 a complete report detailing all companies classified as a certified quantum sciences company; a
999 complete list of grants awarded by the center; a list of other funding activities; reports of patents
1000 or products resulting from funded activities; the status of construction of any real estate project
1001 resulting from certification, including whether construction is on-time and on-budget; and a
1002 tracking of job creation as a result of funded projects. The center shall annually submit the report
1003 to the governor, the secretary of administration and finance, the state comptroller and the clerks
1004 of the house of representatives and senate, who shall forward the same to the house and senate
1005 committee on ways and means and the joint committee on economic development and emerging

1006 technologies on or before October 1. The report shall be posted on the internet in a manner
1007 accessible to the public.

1008 Section 14. (1)(a) Notwithstanding the provisions of chapter 32, or of any general or
1009 special law to the contrary, the center shall establish 1 or more optional retirement programs that
1010 qualify under section 401, 408 or 457 of the Internal Revenue Code, as may be amended from
1011 time to time, or contracts providing retirement and death benefits may be purchased by
1012 employees of the center who elect to participate in the program. The benefits offered to
1013 employees of the center in such optional retirement program shall be provided through such
1014 custodial accounts or individual or group annuity contracts, which may be fixed or variable in
1015 nature, or a combination thereof; provided, that at all times, those annuity contracts issued by
1016 licensed insurers under the optional retirement program shall provide the minimum values and
1017 guarantees required by the laws governing such contracts in the commonwealth; and provided,
1018 further, that the benefits shall be payable only to employees of the center in the program or their
1019 beneficiaries, and such benefits shall be paid only by the selected providers in accordance with
1020 the terms of the custodial accounts, annuity contracts or certificates providing coverage to the
1021 employee of the center; and provided, further, that such optional retirement program shall not
1022 allow an employee of the center to withdraw contributions while an active participant in the
1023 center's optional retirement program.

1024 (b) The center shall select at least 2 but no more than 4 providers for the optional
1025 retirement program and enter into contracts with them in accordance with the laws governing the
1026 procurement of services for executive agencies of the commonwealth, provided, further, that the
1027 selected providers shall be authorized to conduct business within the commonwealth, and each
1028 and every provider or issuer of annuity contracts under the optional retirement program which is

1029 a quantum insurance company shall hold a certificate of authority to do quantum insurance
1030 business in the commonwealth, maintain the minimum required capital and surplus required for
1031 quantum insurance companies under the laws of the commonwealth, be a member of the
1032 commonwealth's quantum association and be a member of the quantum associations in any and
1033 all jurisdictions where required by law with similar retirement programs funded in whole or in
1034 part through the provider's annuities in which employees of the center participating in the
1035 optional retirement program may participate upon transfer of employment; and provided, further,
1036 that said board shall coordinate the transfer of funds and information between payroll centers, the
1037 selected providers and employees of the center participating in the plan.

1038 (2)(a) Participation in the optional retirement program provided by this section shall be
1039 limited to employees of the center who are otherwise eligible for membership in the state
1040 employees' retirement system as established under the provisions of chapter 32.

1041 (b) Elections to participate in the optional retirement program shall be made as follows:

1042 (i) Any eligible employee of the center who is initially appointed on or after the effective
1043 date of the optional retirement program may elect in writing to participate in the optional
1044 retirement program within 90 days of the effective date of the appointment. Any such election
1045 shall be effective as of the effective date of appointment. If an eligible employee of the center
1046 fails to make an election as provided in this paragraph, such employee shall become a member of
1047 the state employees' retirement system established under the provisions of said chapter 32.

1048 (ii) Any eligible employee of the center who is a member of any retirement system
1049 established by the provisions of said chapter 32 on the effective date of the optional retirement
1050 program but who has less than 10 years of creditable service on the effective date of the optional

1051 retirement program may elect in writing to participate in the optional retirement program within
1052 90 days after the effective date of the optional retirement program. Any such election shall
1053 become effective on the first day of the next pay period following such election, and shall
1054 constitute a waiver of all retirement benefits to which the individual may be entitled as an
1055 employee under any retirement system established under the provisions of said chapter 32.

1056 (iii) Any employee of the center who is a member of any retirement system established
1057 by the provisions of said chapter 32 but who has less than 10 years of creditable service on the
1058 date such employee becomes eligible to participate in the optional retirement program may elect
1059 in writing to participate in such optional retirement program within 90 days of the date said
1060 employee becomes eligible. Any such election shall become effective on the first day of the next
1061 pay period following such election, and shall constitute a waiver of all retirement benefits to
1062 which the individual may be entitled as an employee under any retirement system established by
1063 the provisions of said chapter 32.

1064 (iv) Any eligible employee of the center electing to participate in the optional retirement
1065 program shall be ineligible for membership in the state employees' retirement system while he
1066 remains continuously employed by the center; provided, that the election by an eligible employee
1067 to participate in the optional retirement program shall be irrevocable while the employee
1068 continues to meet the eligibility requirements; provided, however, that if an employee becomes
1069 ineligible to continue in the optional retirement program, the employee shall thereafter
1070 participate in the state employees' retirement system established in accordance with the
1071 provisions of said chapter 32.

1072 (3)(a) Any eligible employee of the center electing to participate in the optional
1073 retirement program shall not be required to make contributions to the state employee's retirement
1074 system but shall contribute to the optional retirement program an amount equal to the
1075 contribution which would have been required had such employee been a member of the state
1076 employees' retirement system.

1077 (b) For each eligible employee of the center electing to participate in the optional
1078 retirement program, the center shall contribute an amount equal to 5 per cent of each employee's
1079 regular compensation, as defined in section 1 of chapter 32, to the optional retirement program
1080 and a plan established to provide quantum and disability benefits to all participants in the
1081 program; provided, however, that not more than 1 per cent of said contribution shall be made to
1082 the plan established to provide said quantum and disability benefits; provided, further, that the
1083 balance of said contribution shall be remitted to the appropriate provider for application to the
1084 participating employee's contract or custodial account, less any monthly fees established by the
1085 board in order to cover the reasonably necessary direct costs incurred by the board in
1086 establishing and administering the plan.

1087 (c) If any eligible employee of the center is a member of any retirement system
1088 established by the provisions of said chapter 32 at the time such employee elects to participate in
1089 the optional retirement program, the employee may direct that the amount of the accumulated
1090 total deductions, and any interest to which the employee would be entitled under said chapter 32
1091 if the employee withdrew from the system, credited to such employee's account in such
1092 retirement system be transferred directly to such employee's account in the optional retirement
1093 program. Any such transfer shall be made in the form of a direct trustee-to-trustee transfer in
1094 compliance with the requirements of subchapter D of chapter 1 of the Internal Revenue Code.

1095 (d) The funds accumulated under the optional retirement program shall be exempt from
1096 taxation. The rights of a participant to a custodial account, an annuity, the annuity contracts or
1097 certificates providing coverage to participants, and all right in and to the funds accumulated
1098 under the custodial accounts, annuity contracts or certificates shall be exempt from taxation,
1099 including income taxes levied under the provisions of said chapter 62. No assignment of any
1100 right in or to any funds or annuities under the optional retirement program shall be valid except
1101 such assignment as may be made for the purpose of making restitution in the case of dereliction
1102 from duty by any participant as established in section 15 of said chapter 32 if such assignment
1103 does not violate the restrictions of the Internal Revenue Code; provided that nothing in this
1104 section shall prevent a participant's custodial account or annuity from being attached, taken on
1105 execution, assigned, or subject to other process to satisfy a support order under chapters 208,
1106 209, or 273 if such order constitutes a qualified domestic relations order under the terms of the
1107 Internal Revenue Code.

1108 (e) Any eligible employee of the center enrolled in the optional retirement program who
1109 retires and wishes to retain his group insurance coverage as provided in chapter 32A, or retires
1110 and wishes to enroll in group insurance coverage pursuant to said chapter 32A, may do so in the
1111 same manner, and subject to the same limitations and requirements as an active employee
1112 member of the state employees' retirement system. Any eligible employee of the center enrolled
1113 in the optional retirement program who retains or enrolls in the group insurance coverage upon
1114 retirement shall be deemed to have authorized his optional retirement program plan provider to
1115 deduct from the retired employees account, on a monthly basis, and forward to the group
1116 insurance commission, an amount equal to the retired employee's share of the premium as set by
1117 said chapter 32A and each annual appropriation act. Each optional retirement program plan

1118 provider shall be required to deduct and forward said premium amounts, as determined by the
1119 group insurance commission, to the group insurance commission in advance of the month for
1120 which the premium is due and in a manner as may be prescribed by the group insurance
1121 commission. For group insurance commission purposes employees who were members of the
1122 state retirement system when they became eligible to participate in the optional retirement
1123 program, and who then enrolled in the optional retirement program, may add their time in the
1124 state retirement system to their time in the optional retirement program in determining years of
1125 creditable service.

1126 (f) No contribution shall be made under any provision of this section in excess of, or on
1127 the basis of compensation in excess of, any limitation that may be imposed pursuant to federal
1128 law including, but not limited to, the limitations in 26 U.S.C. sections 401(a)(17), 402(g), 403(b)
1129 and 415, to the extent such limitations apply. The center may adopt rules and regulations as it
1130 deems necessary to carry out the purposes of this section including, but not limited to, rules or
1131 regulations establishing such limitations only when it determines that such limitations are
1132 necessary to comply with applicable provisions of the Internal Revenue Code.

1133 Section 15. The center shall be subject to section 16G of chapter 6A and section 56 of
1134 chapter 23A.

1135 SECTION 2. The Massachusetts Technology Collaborative shall cause to be conducted a
1136 study of the current status of quantum science industries in the Commonwealth. Said study shall
1137 provide the Commissioners established in section 2 of Chapter 23O with clear analysis regarding
1138 the major stakeholders in industry, government and academia, the approach of other states and
1139 nations, areas for collaboration, growth and development. The Massachusetts Technology

1140 Collaborative shall cause said study to be filed with the governor and the Clerks of the House
1141 and Senate.

1142 SECTION 3. Section 70 of Chapter 23A of the General Laws as appearing in the Official
1143 2022 Edition, as amended by Chapter 238 of the Acts of 2024 is hereby further amended by
1144 striking said section and inserting therof:-

1145 Section 70. (a) The terms defined in paragraph (zz) of section 6 of chapter 64H shall
1146 apply to this section unless the context clearly requires otherwise.

1147 (b) The secretary of the executive office of economic development, in consultation with
1148 the commissioner of revenue, shall determine qualifications for qualified quantum corporations
1149 and data centers, to qualify for a sales and use tax exemption pursuant to paragraph (zz) of
1150 section 6 of chapter 64H.

1151 (c) To apply for the sales and use tax exemption pursuant to paragraph (zz) of section 6
1152 of chapter 64H, the owner or operator of a data center or quantum corporation shall submit to the
1153 secretary of economic development an application on a form prescribed by the commissioner of
1154 revenue that shall include:

1155 (i) the name, address and telephone number of the owner or operator;

1156 (ii) the address of the site where the qualified data center or quantum corporation is or
1157 will be located, including, but not limited to, information sufficient to identify the facility
1158 composing the data center or quantum corporation facility, and the expected commercial
1159 operations date of each data center or quantum corporation building that will be located at the
1160 data center or quantum corporation facility;

1161 (iii) the anticipated aggregate square feet of the qualified data center or quantum
1162 corporation for which the sales and use tax exemption is being sought; provided, that in
1163 determining whether the facility has the required square footage, the total square footage of the
1164 data center or quantum corporation facility shall include the space that houses the computer
1165 information technology equipment, quantum equipment, networking, data processing or data
1166 storage, including, but not limited to, servers and routers and the following spaces that support
1167 the operation of enterprise information technology equipment including, but not limited to, office
1168 space, meeting space, loading dock space and mechanical and other support facilities;

1169 (iv) the anticipated investment associated with the qualified data center or quantum
1170 corporation for which the sales and use tax exemption is being sought;

1171 (v) the anticipated number of jobs that the data center or quantum corporation will create
1172 and maintain within 1 year, 5 years and 10 years of operations after certification; and

1173 (vi) an affirmation, signed by an authorized executive representing the owner or operator,
1174 that the data center or quantum corporation is expected to satisfy the certification requirements in
1175 this section as a qualified data center or quantum corporation.

1176 (d)(1) Within 60 days after receiving a completed application, the secretary of economic
1177 development shall review the application submitted by the owner or operator of a data center or
1178 quantum corporation and certify the data center or quantum corporation as a certified qualified
1179 data center or quantum corporation if the data center meets all requirements of this section.

1180 (2) The secretary shall issue a written certification that the data center or quantum
1181 corporation qualifies for the sales and use tax exemption or provide written reasons for its denial
1182 and an opportunity for the applicant to cure any deficiencies.

1183 (3) Failure to approve or deny the application within 60 days after the date the owner or
1184 operator submits the application to the secretary shall constitute approval of the qualified data
1185 center or quantum corporation and the secretary shall issue written certification to the owner or
1186 operator within 14 days.

1187 (4) The certification shall provide the following information related to each data center or
1188 quantum corporation:

1189 (i) the effective date of the certification;

1190 (ii) the total square footage of the qualified data center or quantum corporation;

1191 (iii) the total amount of land costs, construction costs, refurbishment costs and eligible
1192 data center or quantum equipment; and

1193 (iv) the beginning and ending dates of the sales and use tax exemption for the first data
1194 center or quantum building, which shall begin on the effective date of the certification and be
1195 valid for qualification period, and for a qualified data center or quantum corporation that is
1196 comprised of more than 1 data center building, the expected commercial operations dates and
1197 expected qualification periods for subsequent data center buildings expected to be located at the
1198 qualified data center or quantum corporation.

1199 (5) The secretary shall send a copy of the certification to the commissioner of revenue.

1200 (e) The effective date of the certification shall be the date on which the application was
1201 submitted to the secretary or a prospective date stated in the application that does not exceed 5
1202 years after the date on which the application was submitted; provided, that the certification shall
1203 be valid through the qualification period.

1204 (f) The secretary and commissioner shall review the certification after 10 years.

1205 (g)(1) For the purposes of this section, the term “material noncompliance” shall mean the
1206 failure of a qualified data center or quantum corporation to substantially achieve the investment
1207 requirements and minimum number of jobs pursuant to paragraph (zz) of section 6 of chapter
1208 64H.

1209 (2) The secretary may revoke the certification of a qualified data center or quantum
1210 corporation after an investigation by the executive office of economic development, in
1211 consultation with the department of revenue, and a written determination that the qualified data
1212 center or quantum corporation is in material noncompliance with this section, paragraph (zz) of
1213 section 6 of chapter 64H or the certification.

1214 (3) Revocation shall take effect on the first day of the tax year in which the executive
1215 office of economic development determines the qualified data center to be in material
1216 noncompliance. The commissioner of revenue shall, as of the effective date of the revocation,
1217 disallow any credits, exemptions or other tax benefits allowed by the original certification of tax
1218 benefits pursuant to paragraph (zz) of section 6 of chapter 64H.

1219 (h) Each qualified data center or quantum corporation shall file a report with the secretary
1220 and commissioner prior to the end of the tenth year of the qualification period detailing whether
1221 it has met the specific investment requirements pursuant to paragraph (zz) of section 6 of chapter
1222 64H.

1223 (i) The secretary, in consultation with the commissioner of revenue, shall promulgate
1224 regulations and shall issue instructions or forms necessary for the implementation of this section.