

**HOUSE . . . . . No. 164**

The Commonwealth of Massachusetts

PRESENTED BY:

*Geoff Diehl*

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 to establish a Massachusetts incubator network to be known as MassMarket.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Geoff Diehl</i>	<i>7th Plymouth</i>
<i>Michael D. Brady</i>	<i>9th Plymouth</i>
<i>Christine E. Canavan</i>	<i>10th Plymouth</i>
<i>Claire D. Cronin</i>	<i>11th Plymouth</i>
<i>Stephen L. DiNatale</i>	<i>3rd Worcester</i>
<i>Peter J. Durant</i>	<i>6th Worcester</i>
<i>Donald Humason</i>	
<i>Mary S. Keefe</i>	<i>15th Worcester</i>
<i>Thomas P. Kennedy</i>	<i>Second Plymouth and Bristol</i>
<i>Kevin J. Kuros</i>	<i>8th Worcester</i>
<i>Leonard Mirra</i>	<i>2nd Essex</i>
<i>Shaunna O'Connell</i>	<i>3rd Bristol</i>
<i>Jeffrey N. Roy</i>	<i>10th Norfolk</i>
<i>Aaron Vega</i>	<i>5th Hampden</i>

**HOUSE . . . . . No. 164**

By Mr. Diehl of Whitman, a petition (accompanied by bill, House, No. 164) of Geoff Diehl and others for legislation to create a strategy for small businesses. Community Development and Small Businesses.

**The Commonwealth of Massachusetts**

**In the Year Two Thousand Thirteen**

An Act to establish a Massachusetts incubator network to be known as MassMarket.

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

1 SECTION 1. To provide for supplementing certain items in the general appropriation act  
2 and other appropriation acts for fiscal year 2013, the sums set forth in section 2 are hereby  
3 appropriated from the General Fund unless specifically designated otherwise in this act or in  
4 those appropriation acts for the several purposes and subject to the conditions specified in this  
5 act or in those appropriation acts, and subject to the laws regulating the disbursement of public  
6 funds for the fiscal year ending June 30, 2013. These sums shall be in addition to any amounts  
7 previously appropriated and made available for the purposes of those items.

8 SECTION 2.

9 EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT.

10 Massachusetts Office of Business Development

11 7007-0800

12 For the MassMarket business incubator pilot located at Massasoit community college

13 \$50,000

14 SECTION 3. (a) There shall be a business incubator, as defined in section 3A of chapter  
15 23A of the General Laws, established at Massasoit community college. The business incubator  
16 shall serve the southeastern region and facilitate business development in its gateway  
17 municipalities, as defined in said section 3A of said chapter 23A, and in surrounding  
18 communities. A regional partnership consisting of the Brockton area workforce investment

19 board, Massasoit community college, and representatives from MOBD shall assist the business  
20 incubator. The director of the Massachusetts business development office, in consultation with  
21 the Brockton area workforce investment board and Massasoit community college, shall contract  
22 with a vendor to manage and operate the business incubator. The business incubator shall  
23 operate for 3 years.

24 (b) The vendor shall:

25 (i) integrate a youth entrepreneurship component or unit within the incubator to focus on  
26 youth entrepreneurship activities;

27 (ii) establish a record of or plan to conform to best practices including clear policies for  
28 business entry and graduation;

29 (iii) establish a record of or plan to conform to best practices and principles of publicly  
30 supported incubators;

31 (iv) develop a comprehensive suite of entrepreneurial mentoring practices including but  
32 not limited to advising, coaching, planning, technical assistance, capacity building, education and  
33 connecting to funding sources;

34 (v) develop the capacity to secure substantial private and other non-state governmental  
35 funding for the incubator;

36 (vi) demonstrate the ability and willingness to cooperate with other local, regional and  
37 statewide economic development organizations, business support networks and venture and  
38 angel capital funding sources;

39 (vii) establish such procedure as it deems appropriate for the evaluation of tenant  
40 eligibility requirements for incubator entry and graduation;

41 (viii) submit an annual report on June 30th of each year to the director of the  
42 Massachusetts office of business development that includes its revenue and expenses, the  
43 number of private sector firms that have leased space in the business incubator, the number of  
44 companies that have graduated from the business incubator, how long such graduating  
45 companies remain in the commonwealth, and best estimates as to the number of full time  
46 equivalent positions created by incubator companies and their successors during the reporting  
47 period;, and other data as required by the director of the Massachusetts office of business  
48 development;

49 (ix) maintain a management information system and collect statistics and other  
50 information necessary for ongoing program evaluation, thus improving a program's effectiveness  
51 and allowing it to evolve with the needs of the clients; and

52 (x) determine, in conjunction with the director of the Massachusetts office of business  
53 development, how the basic and optional services provided at the business incubator shall be  
54 charged to a company either: (i) while at the business incubator, (ii) upon its departure from the  
55 business incubator, or (iii) as a percentage of its annual revenues after graduation from the  
56 business incubator.

57 (c) There shall be an advisory board for the business incubator that shall consist of a  
58 state representative and a state senator from the southeastern region, and advocates and  
59 stakeholders in economic, workforce, education and community development from the  
60 southeastern region. The advisory board shall evaluate public investments in the business  
61 incubator, ensure that the funded programs are implementing best practices known to contribute  
62 to program and client success, and identify new industry trends that could affect program  
63 performance.

64 (d) There shall be a review panel, composed of statewide recognized experts in business  
65 incubation and representatives from the executive office of housing and community  
66 development, the executive office of labor and workforce development, the executive office of  
67 education, the Brockton area workforce investment board and Massasoit community college,  
68 whose purpose is to evaluate the performance of the vendor and the business incubator  
69 according to the criteria listed in clause (x) of section (b) and to present its findings to the  
70 secretary of housing and economic development.

71 SECTION 4. The Massachusetts office of business development shall conduct an  
72 investigation and study, in consultation with the executive office of housing and economic  
73 development, the executive office of labor and workforce development and the executive office  
74 of education, (i) to determine whether the business incubator established at Massasoit  
75 community college shall be a model for a statewide network of business incubators to be known  
76 as MassMarket; (ii) to develop a collection of state resources to the business incubators through  
77 regional MassMarket partnerships consisting of local workforce investment boards, community  
78 colleges and representatives from the Massachusetts office of business development; and (3) to  
79 create a comprehensive, collaborative and integrated state strategy for small business,  
80 entrepreneurship and business incubation to address the needs and challenges across gateway  
81 municipalities, as defined in section 3A, and surrounding communities. The study shall consider  
82 whether the lease or sale of unused state property under the management of the division of  
83 capital asset management and maintenance for use as business incubators in gateway  
84 municipalities, as defined in section 3A of chapter 23A of the General Laws, is appropriate and  
85 cost-effective. The Massachusetts office of business development shall report the results of its  
86 investigation and study, and its recommendations, to the secretary of housing and economic  
87 development and the general court. The report shall be filed with the secretary of housing and  
88 economic development, the clerk of the house of representatives and the clerk of the senate no  
89 later than 3 years after the effective date of this act.