

H.4459 – Economic Development Highlights

Notable Bond Authorizations

- \$500 million for the Mass Life Sciences Center to provide grants and loans in order to grow the life sciences industry in Massachusetts
- \$400 million for MassWorks public infrastructure grants to municipalities
- \$250 million for the Mass Impact grant program to support large transformational projects that will drive economic growth
- \$200 million for the Clean Energy Center to support the research and commercialization of climate technology across the state
- \$200 million for the Massachusetts clean energy technology Center to invest in research, and in the implementation of offshore wind infrastructure
- \$150 million for grants for cities and towns for approved library projects
- \$100 million for Municipal Financial Assistance Grants to municipal entities to assist them with workforce development
- \$100 million for Applied AI Hub Capital grant program to support the adoption and application of AI technology in the state's tech sectors
- \$100 million for the Rural Development Program providing financial assistance to exclusively rural areas with the goal of community development
- \$100 million for the Seaport Economic Council Grant program for municipalities for the construction/repair of coastal assets that have potential to stimulate economic growth

Notable Policy Initiatives

Designated Port Area Fund: Requires the Secretary of EOED to administer the fund rather than a fund director, and requires a report on expenditures to be issued only when money is spent out of the fund.

Combat Sports

- Governance Updates
 - Requires that there be a full-time executive director of the state athletic commission.
 - Requires that persons assigned to regulate events on behalf of the commission complete a formal training program approved by the state athletic commission.
 - Increases the cap, from \$200K to \$500K, on the amount that may be expended for the operation of the commission.
 - Requires that the commission promulgate rules and regulations for contracts between managers, promoters, and participants of combat sports, and grants the commission the authority to invalidate, enforce, mediate, and modify such contracts.
 - Authorizes the state athletic commission to revoke a license or fine, or suspend a license, for violations of the chapter.
 - Increases the amount of insurance coverage that a person conducting a combat sporting event must obtain from not less than \$5K to not less than \$10K for medical and hospital expenses of a contestant and from not less than \$50K to not less than \$100K for the estate of a contestant in the event of their death during the combat sporting event.

Economic Development Incentive Program and Tax Credit

- Program:
 - Requires the director of MOBD to administer the EDIP, in consultation with the Secretary of EOED and EACC.

- Currently EDIP is administered by a director of economic assistance, in consultation with the Secretary of Economic Development, the Director of MOBD and the EACC.
 - Removes the authority for a municipality to offer a local tax incentive to the owner or controlling business of a certified project but retains authority to offer tax increment financing for the project if there is a strong likelihood of significant growth in business activity, job creation, or contribution to the local economy.
 - Removes the 2-year timeline on the report to MOBD by affiliate awarded a credit after certification on whether the job retention and project goals were achieved.
- Tax Credits:
 - Removes the \$500K per calendar year cap on the total amount of refundable EDIP tax credits that may be awarded for a certified economic development project and removes the \$5M cumulative per year cap on refundable tax credits.
 - Removes the limit of up to 50% of the liability in a taxable year from the amount of the tax credit that may be awarded for a certified project and the limit of \$5K per retained employee on the amount of tax credit that may be awarded for a certified project that will retain permanent full-time employees in a gateway municipality.
 - Clarifies the authority of EACC and municipalities to recapture tax credits.

Permitting

- Massachusetts Permit Regulatory Office: repeals the Interagency Permitting Board within MOBD and reallocates the duties of the board to the Massachusetts Permit Regulatory Office.
- Permit Tolling: extends any permit, certificate, order, or other instrument for property development from a municipal, regional, or state government in effect between January 1, 2023, and January 1, 2025, for an additional 2 years beyond the lawful term of the approval.
- Priority Development Sites:
 - Rewrites requirements for priority development sites requiring governing bodies submit a formal proposal with the permit regulatory office and requires the Secretary of EOED to establish criteria for designating priority development sites.
 - Allows a municipality that is a priority development site to have priority for grant programs administered by EOED.

Live Theater Tax Credit

- Establishes a 5-year live theater tax credit pilot program and tax credit to support pre-Broadway, pre-off Broadway, and national tour launches, administered by MOBD and is capped at \$5M per year.
 - The cap shall be limited to: 35% of in-state payroll costs, 25% of production and performance expenditures, and 25% of transportation expenditures
 - Live theater production companies with a production budget over \$100K may apply for certification for eligibility for a tax credit and must provide an accounting of costs upon completion of the production.
- Effective for tax years beginning on or after January 1, 2025.

Digital Interactive Media Tax Credit

- Credit: Establishes a 5-year digital interactive media tax credit pilot program, administered by MOBD, to support production companies and maintain students in the Commonwealth and is capped at \$5M per year.
 - Credit is for employment of persons in the Commonwealth for a 12-month period in connection with the production of video games, up to 25% of payroll if total production costs are at least \$50K in the taxable year
 - Credit for 25% of all expenses, not including payroll, if production is in a gateway city.

- Sales Tax Exemption: establishes a sales tax exemption for digital interactive media production companies and students for production expenses.
- Effective for tax years beginning on or after January 1, 2025.

Rural Policy Commission and Rural Development Program.

- Amends the definition of “rural community” to add municipalities with a population of less than 7K in the most recent census.
- Establishes a rural development program, administered by EOED, to promote economic opportunity in rural communities

Micro Business Definition.

Expands the definition of “micro business”, for the purposes of resources provided by the Micro Business Development Center

Life Sciences

- Life Sciences Center Expansion: Expands the goals, purpose, and use of certain funds by the Massachusetts Life Sciences Center to include preventative medicine, biosecurity, and health related AI.
- Board of Directors: Adjusts the governor appointees to the board of directors to include a member of MHHA, a member with expertise in health equity, a member of the medical device sector and a member of the digital health sector.
- Private Colleges: Allows the center to provide funds to institutions of higher education, nonprofits, other public or quasi-public entities in MA and certified life sciences companies and convene an advisory board.
- Tax Incentive Program and Credit:
 - Increases, from \$30M to \$50M, the annual amount of life sciences tax credits.
 - Decreases, from 5 to 3 years, the length of time a certification of a life sciences company is valid.
 - Cap increase is effective January 2, 2025.
- Angel Investor Tax Credit: repeals, for tax years beginning on or after January 1, 2024, the tax credit program for investors who make an investment in a qualified business in early-stage life sciences companies.

Climatetech

- MassCEC:
 - Defines “climatetech” to include clean energy and other advanced and applied technologies that contribute to decarbonizing the economy, reduce and mitigate greenhouse gas.
 - Expands the purpose of the MassCEC to align goals to climatetech rather than clean energy,
- Offshore Wind Industry Investment Fund: adds to the authorized uses of the fund promoting jobs, economic and workforce development through capital grants to companies and governmental entities to support stimulating research and development, innovation, and manufacturing.
- Climatetech Industry Incentive Program and Tax Credit:
 - Climatetech tax incentive program: establishes program similar to the life sciences tax incentive program, to expand the Climatetech industry.
 - Credits: (i) job incentive refundable credit for 5 net new permanent full-time employees; (ii) capital investment refundable credit for climatetech company with at least \$5M in capital investments in a facility and 50 new full-time employees by the 5th year; and (iii) eligible research costs up to 10% of the excess over the base amount and 15% of the basic research payments.
 - Cap: caps the credit at \$30M per year.

- Sales Tax Exemption: creates a sales tax exemption for construction, remodeling, and remediation of certain climatetech commercial facilities.

Workforce Investment Trust Fund

- Requires funds from the Workforce Investment Trust Fund to be competitively granted through existing workforce development programs that develop and strengthen workforce opportunities for low-income communities or vulnerable youth and young adults.
- Allows funds to be granted to programs that provide opportunities for intellectual, developmental, or physical disabilities and to facilitate work permits, professional credentialing, or other workforce opportunities for non-citizens residing lawfully in Massachusetts.

Broadband

- Authorizes governmental bodies to use the competitive sealed bid process under MGL 30B, instead of the procurement requirements for public works non-building construction contracts, to procure broadband internet service along with the design, installation, maintenance, and operation of broadband internet services for public buildings or public land.

Special Permit for Construction

- Requires construction or operations under a special permit or a site plan approval under local ordinance or by-law to conform to any subsequent amendment of the zoning ordinance or by-law or any other local land use regulations unless the use or construction is commenced within 3 years after the issuance of the special permit or site plan approval.

Commercial Electric Vehicle Charging Stations

- Requires commercial electric vehicle charging stations to be registered with division of standards under OCABR on a form developed by the division before offering charging services to the public.
- Requires all commercial electric vehicle charging stations operating as of January 1, 2025, to register with the division by January 1, 2026.

Internship Tax Credit

- Establishes a tax credit for employers that employ a qualified intern for 12 weeks in an amount of \$5K per qualified intern or 50% of the wages paid to each qualified intern, whichever is less.
 - Caps the total amount of credits at \$100K per employer and \$10M total credits, annually.
- Qualified interns must be recent graduates of a public or private institution of higher education in the commonwealth and be employed by the employer seeking to collect the credit for 12 weeks.
- Effective on January 1, of the first year following the FY which closes with a CNS of at least \$400M.
- Sunsets on January 1 of the sixth year after the effective date.

Simulcasting Trust Funds

- Capital Improvement Trust Funds: Expands the purpose of the fund to include simulcasting.
- Running Horse Capital Improvements Trust Fund: Provides that the licensee in Suffolk County shall not be obligated to make any further payments to the Running Horse Capital Improvements Trust Fund.

Worcester County Simulcasting. Authorizes a live racing meeting licensee in Worcester County to simulcast in any location in Worcester County.

ABCC

- Salesperson Licenses: Allows ABCC to grant to individuals employed as salesmen of farmer-distilleries the authority to solicit orders for alcoholic beverages on behalf of their employer.

Ticket Sales

- Makes several changes to modernize ticket sales laws and increase consumer protections, including increased audits and testing of paperless systems, clear and conspicuous fee disclosures, and guaranteed refunds in case of canceled events and other circumstances

Development at Devens

- Makes a number of technical updates to assist with planning and promote further residential development at Devens

Thomas Michael Menino Convention and Exhibition Center

- Directs the Massachusetts Convention Center Authority to designate the Boston convention and exhibition center as the Thomas Michael Menino Convention and Exhibition Center.

Surety Bond Pilot Program

- Establishes a 5-year surety bond assistance pilot program, subject to federal approval by the U.S. Treasury, to assist economically and socially disadvantaged businesses to secure contracts for capital projects in the form of technical or financial assistance.

Project Labor Agreements

- Authorizes public agencies or municipalities to use project labor agreements if it is in the best interest of the commonwealth.