

SENATE 2003 ECONOMIC STIMULUS BILL

SUMMARY

Emerging Technology and Health Care

- Emerging Technology and Education Funding
- Loans for Health Care Technology Improvements & Investments
- Stem Cell Research
- HMO Financial Solvency Standards
- Information Technology Streamlining

Jobs and Workforce Development

- Workforce Training & Small Business Development Grants
- Workforce Training Fund Reform
- Research & Development Corporate Tax Incentive
- Research & Development Tax Definition Change
- Investment Tax Credit Permanency

Consumers and Tourism

- Sales Tax Holiday
- Massachusetts International Tourism Initiative
- Sunday Alcohol Sales

Housing

- Employer Assisted Housing
- Housing Incentive Payments for Use of State Surplus Property
- Historic Building & Property Redevelopment Tax Credit
- Affordable Housing Trust Fund Implementation (Bond Terms)

Development

- Brownfields Development – Recapitalization, Tax Credit Extension
- Fast Track Zoning and Permitting
- Urban & Downtown Revitalization Grants
- Food & Farmland Protection Initiative

ECONOMIC STIMULUS COMPARISON			
	SENATE	HOUSE	GOVERNOR
	\$115M*	\$115M*	\$41M*
* Represents One Year Value of Stimulus bill			
Emerging Technology and Health Care			
Emerging Technology and Life Sciences Fund	YES	YES	No
Loans for Health Care Improvement Purchases	YES	No	No
Stem Cell Research	YES	No	No
HMO Financial Solvency Standards	YES	No	No
Information Technology Streamlining	YES	YES	No
Jobs and Workforce Stimulus			
Research & Development Tax Incentive	YES	No	No
Research & Development Tax Definition Change	YES	No	No
Workforce Training Fund Reform	YES	No	No
Workforce Training & Small Business Development Grants	YES	No	YES
Investment Tax Credit Permanency	YES	YES	YES
Consumers and Tourism			
Sales Tax Holiday	YES	No	No
Massachusetts International Tourism Initiative	YES	No	No
Sunday Alcohol Sales	YES	No	No
Housing			
Employer Assisted Housing	YES	No	No
Housing Incentive Payments for Use of State Surplus Property	YES	No	YES
Historic Building & Property Redevelopment Tax Credit	YES	No	No
Affordable Housing Trust Fund Implementation (bond terms)	YES	No	YES**
Development			
Brownfields Recapitalization, Tax Credit Extension	YES	YES	YES
Fast Track Zoning and Permitting	YES	No	No
Urban & Downtown Revitalization Grants	YES	No	YES
Food & Farmland Protection Initiative	YES	No	No

** filed as separate legislation.

EMERGING TECHNOLOGY / LIFE SCIENCES

EMERGING TECHNOLOGY & EDUCATION FUNDING

Summary:

Whereas the House limits its investment of \$115M toward the emerging technology industry, the Senate takes a balanced approach by investing \$45M in this area and \$70M in other areas of the state's economy.

The \$45M is allocated in the following manner:

- a) \$20M to Emerging Technology Fund & Bridge Loans: provides funding for emerging technologies like biotechnology, medical devices, etc., through low interest loans for specialized infrastructure. This fund encourages research and development companies to manufacture their products in Massachusetts. Overseen by Mass Development.
- b) \$10M to John Adams Innovation Enterprise: to create an agent that maintains a more favorable and responsive environment in the commonwealth for economic development, growth, attraction and retention of tech-intensive and innovation-driven regional clusters, with a particular attention paid to promoting economic growth in underserved regions of the commonwealth (promote local & state collaboratives in regional areas). Overseen by Mass Technology Collaborative.
- c) \$5M to Research Center Match Fund: to provide matching funds to higher education institutions and other nonprofit research institutions to leverage \$1 of funding from the federal government for each \$1 granted from the matching fund – administered by the John Adams Innovation Enterprise - Overseen by Mass Technology Collaborative.
- d) \$5M to Math, Science, Tech & Engineering: to increase the number of students who participate in educational programs that support careers in math, science, technology and engineering through grants, disbursements and other activities to increase the number of math and science teachers and to improve the math and science educational offerings available in public and private schools. Overseen by the Chancellor of Higher Ed in consultation with DOE and the President of UMASS (**FUNDED FROM STABILIZATION**).
- e) \$5M to Mass Technology Development Corporation: to establish and implement a program of bridge financing (interim financing) which provides grants, loans, royalty or equity investment to firms that have previously received federal phase I small business innovation research or science and technology program moneys and that have been approved for a phase II grants, but have not received funds (**FUNDED FROM STABILIZATION**).

Key support: House of Representatives, Mass Technology Collaborative, Associated Industries of Massachusetts, Mass Development, University of Massachusetts, Mass Technology Development Corporation

- **Further strengthens high growth and technology industries in Massachusetts and recognizes and promotes the strengths inherent in every region of the state.**
- **Sends a clear message that Massachusetts is serious about maintaining and supporting a world-class life sciences reputation.**
- **Promotes job creation, especially high technology manufacturing jobs.**
- **Leverages federal matching funding.**

RESEARCH & DEVELOPMENT TAX DEFINITION CHANGE

Summary:

The Senate expands the definition of an R&D company to include those companies that typically spend most of their resources on research and development (medical devices and biotech companies).

Currently, the Commonwealth's R&D tax preferences are only available to companies that derive more than 2/3 of their revenues from R&D.

Key support: Mass Biotechnology, Associated Industries of Massachusetts, MassMedic (Medical Devices)

- **Business Growth.** Foster high-tech industrial growth, creates an incentive for existing corporations to remain in Massachusetts and encourages researchers to remain here as they move from university laboratories to create their own companies.
- **Smart Tax Policy.** The Massachusetts economy is world renowned for its successful and results based knowledge-economy. As part of our efforts to boost the Commonwealth's economy, it is essential that we use tax policy wisely to support continued innovation and job creation.
- **Helps Small Businesses & Start-ups.** For some start up biotechnology companies it takes as many as 8 to 10 years of research before they can launch a product. During this time the company is likely to need capital and may have no revenue at all and therefore ineligible to receive the present Research & Development tax benefits. This helps start up companies access cash to remain innovative, retain jobs and develop their products.
- **Cost.** Approximately \$8M.

LOANS FOR HEALTH CARE IMPROVEMENT PURCHASES

Summary:

This initiative provides \$10M in funding to health care companies for the purchase of capital needs as well as upgrades of innovative technology equipment.

Key support: Mass Hospital association, Mass Assoc. of Health Plans, Mass Medical Society, Mass Health Data Consortium, Mass. Technology Collaborative

- **Reduces cost of health care.** This program helps to reduce the cost of care by assisting health care companies to purchase equipment that improves the delivery of care. Hospitals and other providers often do not take advantage of cutting-edge technology because of inertia, lack of information on the technologies, and short-term cost barriers. This measure will reduce these various barriers and encourage companies to make maximum advantage of innovative technology.
- **Improves Patient Safety.** Helps health care companies to upgrade their health care equipment to newer & improved methods of detecting diseases at lower costs in the long run.
- **Refocuses companies' efforts from administrative functions to patient safety & health care delivery.** Since fully one third of every health-care dollar is spent on administrative functions and costs, helping such companies purchase newer technologies for administrative billing, etc. will help them to both lower their cost of doing business, but also to focus their energies on the delivery of safe health care.

STEM CELL RESEARCH

Summary:

Allows stem cell research on donated human embryos remaining after fertility treatment; bans human procreative cloning; creates Advisory Committee to address ethical issues.

Key support: Mass. Biotech Council, Juvenile Diabetes Research Foundation, Greater Boston Spinal Cord Association, others

- **Biotech growth & jobs.** This measure sends a strong signal to the biotech industry that Massachusetts allows and supports stem cell research. It removes a cloud of uncertainty from this cutting-edge area.
 - **Why law is needed.** Current law (c.112, §12J) contains a definition of embryo that arguably prohibits embryonic stem cell research.
- **Competition with other states.** In 2002, California enacted a law expressly allowing stem cell research. Similar laws are being considered in New Jersey, Pennsylvania, and other states. This measure will keep Massachusetts competitive in this area of research.
- **Potential health breakthroughs.** Embryonic stem cell research has great potential to yield treatments or cures for a variety of conditions such as spinal cord injuries, juvenile diabetes, Lou Gehrig's disease (ALS), and other neurological disorders.
- **Ethical research.** Stem cell research would be conducted on 3- to 5-day-old embryos created by in vitro fertilization for fertility treatment that will never be used by the donors. This measure contains safeguards to ensure that research is ethical:
 - Purchase or sale of embryonic material is banned.
 - Human procreative and reproductive cloning is banned.
 - Donors of embryos must give written informed consent.
 - A new Stem Cell Research Advisory Committee is established to address ethical issues.

HMO FINANCIAL SOLVENCY STANDARDS

Summary:

This initiative establishes minimum net worth and financial solvency standards for health maintenance organizations doing business in the Commonwealth. The legislation is based on standards developed and adopted by the National Association of Insurance Commissioners (NAIC) and/or existing standards contained in Chapter 175 of the General Laws. The standards are also consistent with the recommendations of the January 2002 Blue Ribbon Health Care Task Force.

Key support: Mass Association of Health Plans, Fallon Health, Blue Cross Blue Shield, Harvard Pilgrim Health Care, Tufts Health Plan

- **Consumer Protections.** The bill protects consumers and providers by ensuring that HMOs in Massachusetts have the appropriate financial reserves in order to pay member claims.
- **Transparency in Health Care.** The legislation also gives regulators increased information about health plan finances so that they can react quickly and decisively should a health plan face financial difficulties.
- **Administrative Efficiencies.** The legislation minimizes administrative costs to the industry, allowing them flexibility to put resources toward improving member benefits.

INFORMATION TECHNOLOGY STREAMLINING

Summary:

Empowers state CIO of Information Technology Division to coordinate all information technology purchases, systems and policies for all executive agencies; promotes coordination and review of IT policy and creates IT Advisory Board.

Key support: Science & Technology Caucus; House of Representatives

- **E-government for businesses.** Streamlining agency IT operations enables agencies to communicate more effectively with businesses using the internet and e-mail. “E-government” saves businesses time and money by making it easier to review and comply with regulations, file applications, and conduct other business with the government.
- **Efficient use of state resources.** The IT CIO will be able to coordinate bulk purchasing of IT equipment and services, thus saving money and enabling state agencies to operate more efficiently. Coordination will also enable agencies to share data and work together, streamlining agency operations.
- **Continuous, proactive reforms.** The new IT Advisory Board will bring together IT experts and CIOs from agencies, the judiciary, and the legislature, and will include representatives of business and consumers. This Advisory Board will work with the IT CIO to proactively and continually take advantage of new information technology.

RESEARCH & DEVELOPMENT CORPORATE TAX INCENTIVE

Summary:

- 1) This program allows mid-sized companies with high growth potential to raise cash by selling tax losses and research and development credits to other businesses for at least 75% of their value;
- 2) Successful applicants must have 10% job growth in previous years and must continue to grow at a rate of 10% for every year they are in the program. Money raised may be used for working capital, to buy equipment or facilities, or for other business expenses.

Administered by the Department of Revenue.

Key support: Mass Biotech Council, MassMedic, Associated Industries of Massachusetts, Mass Technology Collaborative

- **Growth and jobs.** The legislation mandates that this money only be used for companies that will continue to grow in the following years. Companies will not be eligible for future tax credit sales if they do not meet job growth projections.
- **Growing Massachusetts businesses.** The tax credit will support MA businesses at a critical juncture in their development. Most biotech and related companies (many of which are too small to attract venture capital) need capital to support new infrastructure and hire new people.
- **Timing.** Companies would be eligible to use their credits in the future but they need capital to grow in a timely manner. The current system does not work for such firms because they gain the benefit of tax credits only after they are profitable.
- **Successful model in other states.** New Jersey currently spends \$40 million annually on a similar program.
- **Cost.** \$5 million annually.

JOBS & WORKFORCE DEVELOPMENT

WORKFORCE TRAINING GRANTS

Summary:

The Senate invests \$6 million toward workforce training & development. Training dollars are targeted in the following manner:

- a) Boost worker training & development in specific businesses sectors like health care (through the BEST Initiative);
- b) Help workers develop new skills (such as computer literacy and adult basic education), and;
- c) Provide training for dislocated workers (such as those laid off from technology jobs and older workers).

Also invests \$2 million in grants for small businesses and entrepreneurs toward of technical assistance, skills building and growth.

Key support: Mass Dept. of Workforce Development, MA Workforce Investment Board Association, Organization and Leadership Training Counsel, MA Workforce Alliance, Project ABLE

- **Targeted investments in a critical stimulus resource – people.** Any economic stimulus proposal must include workers, the driving force behind economic growth.
- **Results based training & development.** The fund utilizes proven programs, such as the BEST Initiative, to create public and private partnerships that identify where the economy will flourish and need new jobs in order to train workers to fill those positions.
- **Job Growth.** Massachusetts has a low growth rate compared to other states. This initiative helps to retrain workers from displaced industries in order to supply demand in critical employment areas. This also helps to maintain a supply of jobs in key growth areas and enable businesses to meet their employment needs.

WORKFORCE TRAINING FUND REFORM

Summary:

Based on suggestions and feedback from the advocates and business leaders, the Senate reforms the operation of the workforce-training fund.

The proposal provides greater flexibility to the fund by:

- a) Establishing the fund as a trust and moving it off-budget. This ensures that the fund's monies are not subject to legislative appropriation and secured for incumbent workforce training grants specifically;
- b) Eliminating the \$250,000 cap on awards. This allows for better targeted and planned grants, as well as more intensive and longer-term training projects;
- c) Allowing rolling applications rather than rounds for submission of applications. This provides the necessary flexibility to offer businesses planning to relocate to Massachusetts, with comprehensive business assistance proposals as it relates to worker training dollars;
- d) Allowing companies who plan to move into the state to apply for grant funds for worker training & development to jump-start their transition into the state;
- e) Locating the fund under the Department of Workforce Development, not the Department of Employment & Training (consistent with legislature's economic development reorganization in its FY04 budget).

Key support: Mass Alliance of Economic Development, Mass Development, Associated Industries of Massachusetts.

- **Jobs & Growth.** This reform preserves the workforce training fund by taking it off-budget and gives the fund flexibility to award grants to businesses that are planning to locate in Massachusetts as an incentive to businesses considering investing in Massachusetts and a jump-start to new Massachusetts companies.
- **Competitiveness.** Helps existing businesses remain competitive by providing significant dedicated resources for employer-specific training to develop and retain a highly skilled and productive workforce, especially during a soft economy.

- **Investing in Workers.** Prioritizes the fund as an economic development tool investing in Massachusetts workers, providing funds for training necessary to preserve jobs, improve skills and boost wages.
- **Attract out of State Companies.** Increasing the amount of workforce training funds per grant and allowing companies apply for grants prior to relocating makes the fund an attractive incentive to companies considering investing in Massachusetts.

URBAN & DOWNTOWN REVITALIZATION GRANTS

Summary:

\$460,000 in state matching funds to pay \$1 for every \$2 spent by cities and towns on urban revitalization programs; coordinated district revitalization programs to be guided by Regional Competitiveness Councils.

Key support: Governor Romney

- **Growth and jobs for urban areas.** Program will stimulate economic activity through urban revitalization efforts such as Mainstreets and Backstreets programs.
- **Leveraged state funds.** Matching funds encourage investment by cities and towns, and more important, by private businesses.
 - According to the National Main Street Center, each \$1 of downtown revitalization program spending generates \$36 of private business investment.
- **Regional coordination.** Program offers regional coordination to ensure that revitalization funds are spent efficiently. This program will encourage cities and towns to put together comprehensive growth plans and to involve all of the relevant stakeholders (business, consumers, etc.).

INVESTMENT TAX CREDIT

Summary:

This proposal makes the Investment Tax Credit Permanent by eliminating the current statutory sunset provisions. This will ensure that the investment tax credit (ITC) rate will permanently remain at three percent (rather than reverting to one percent at the end of 2008).

Key support: AIM

- **Create Jobs.** Allows companies to retain revenues and invest them in jobs and other investments critical to the economy.
- **Provides a Predictable & Stable Tax Base for Companies.**
- **Sends a Message to Companies that we want them here.**

SALES TAX HOLIDAY

Summary:

Consumers have been the main economic driver sustaining the economy during this recession. This initiative implements a two-day sales tax holiday the Sunday before Christmas day shopping & Patriot's Day (April), a tourist oriented day.

The sales tax holiday would take place the Saturday before Christmas, arguably one of the busiest shopping periods of the year and on Patriot's Day in April.

Key support: Mass Retailers Association, Chambers of Commerce

- **Immediate Economic Stimulus.** As evidenced in states like New York and Texas, this initiative immediately boosts economic activity and increases consumer-buying power. Supply side economics at its best, the sales tax holiday increases the incentive to work and produce.
- **Responsible & Targeted Tax Cut.** Because the sales tax holiday boosts economic activity in the short term, is targeted to consumers and limited to 2 days, it represents smart fiscal policy during a time of economic difficulty. This is not an across the board tax cut. Rather, targeted relief for both consumers and the economy.
- **Spurs Spending & puts money back into the economy.** The projected spending activity boosts revenues for Massachusetts businesses and helps their bottom lines. This rewards not just consumers, but also retailers, middlemen and producers who gain from increased activity.
- **Keeps Massachusetts money here.** Create incentives to keep millions of dollars in state, as opposed to border states, or out of state catalog or Internet firms.
- **Cost.** The estimated impact of this proposal may be approximately \$15 - \$16M. However, the reduction in state sales tax will be offset by increased consumer activity, resulting in an increase in other state revenues.

MASSACHUSETTS INTERNATIONAL TOURISM INITIATIVE

Summary:

In 2001, Massachusetts's tourism generated over \$11B in revenue and over 147,000 jobs, of which international tourism generated over \$1.5B.

- 1) Establishes an international tourism program to attract international visitors and dollars to the Commonwealth and seeks to markets Massachusetts as the entry point to the US.
 - 2) Leverages public / private dollars to increase tourism to Massachusetts and raise tourism industry related revenues.
- **Growth and jobs.** Advocates estimate that an investment of at least \$1.2M would generate over \$1.6B in revenues to the Commonwealth (gross domestic product).
 - **Small investment for large returns.** A small infusion of cash immediately attracts external dollars to Massachusetts through increased tourism at a small cost to the state.
 - **Public Private Partnership.** A competitively bid 5 year contract is awarded to an organization that is required to match the \$2 million appropriation with at the minimum, \$1 million in annual private donations or in-kind services.

SUNDAY ALCOHOL SALES

Summary:

Allows Sunday retail alcohol sales, with local option for cities and towns to prohibit Sunday sales.

Key support: Distilled Spirits Council of the United States Inc.

- **Increased sales and tax revenues.** Lifting the Sunday sales ban will generate increased sales for retailers. Advocates estimate that Sunday sales would generate between \$1.5 to \$2.1 million each year in new tax revenues.
- **Competition with other states.** Twenty-seven (27) states allow Sunday sales, including several border states: New Hampshire, Vermont, Maine and New York. Other states, including Rhode Island, are considering similar repeals of Sunday sales bans.
- **Current loopholes.** Current law already allows Sunday sales in “border” stores within 10 miles of New Hampshire or Vermont and also during the holiday season (from Sunday before Thanksgiving to Sunday before New Year’s Day).
 - At the very least, the law should be amended to include border stores within 10 miles of New York and Maine, which allow Sunday sales.
 - Border stores loophole harms other retailers in Massachusetts who are more than 10 miles from New Hampshire and Vermont.

EMPLOYER ASSISTED HOUSING

Summary:

\$5 million matching fund to pay \$1 for every \$2 spent by businesses on employee housing costs for mortgages, down payments, closing costs, rental security deposits or advance rent payments. Funds limited to employees with household incomes less than 120% of area-wide median income; 50% of a business' fund must be for employees with less than 80% of median income.

Key support: Greater Boston Chamber of Commerce, CHAPA, other housing advocates

- **Workers for businesses.** This measure helps businesses attract and retain skilled workers who cannot afford the high costs of housing.
- **Leveraged state funds.** Each dollar spent by the state generates \$2 of grants or loans by Massachusetts businesses.
- **Production of affordable housing.** Availability of employer assisted housing will stimulate new development, creating jobs and helping curb the cost of housing.
- **First in the nation.** Although other states (Maryland, West Virginia) have employer assisted housing programs, Massachusetts would be the first to use state funding to leverage private business investment.
 - Fannie Mae's local office could provide free technical assistance to employers who wish to create programs.

HOUSING INCENTIVE PAYMENTS FOR USE OF STATE SURPLUS PROPERTY

Summary:

Incentive payments to cities and towns that allow state surplus property to be used for affordable housing – if a city or town loosens zoning and other restrictions to use property for housing, it receives up to 50% of enhanced value of the property when sold by the state.

Key support: Commonwealth Housing Task Force, CHAPA, other housing advocates, Governor Romney

- **Building affordable housing on state surplus property.** State surplus property can be used to build affordable housing, but cities and towns often impose burdensome restrictions on such use (i.e., zoning regulation). This measure gives cities and towns a strong incentive to loosen those regulations so that state surplus property can be used for affordable housing production.
 - **Undeveloped and underused property.** Because of local restrictions, much state surplus property would go unused or under-developed without this measure.
- **Incentives for affordable housing.** The precise incentive payment would depend on the number and type of housing units made available on the surplus property. A city or town would receive more funding for providing housing targeted to lower-income residents.
- **No net cost to the state.** Incentive payments will be provided from the money that the state receives from selling surplus property. This measure therefore will not require any additional appropriation. (The Governor estimates that the program would make incentive payments of about \$6 million over three years, all from proceeds of surplus property sales.)
- **Local option.** This measure simply gives cities and towns an incentive to support affordable housing – it does not impose any requirements or interfere with local regulatory power.

HISTORIC REDEVELOPMENT TAX CREDIT

Summary:

30% tax credit for redevelopment of historic commercial and residential real property that is at least 50 years old.

Key support: Preservation Coalition of Massachusetts

- **Growth and jobs.** Advocates estimate that a \$13.5 million credit would generate over \$45 million of investment in historic buildings and would generate \$7.5 million in taxes on an annual basis.
 - Massachusetts has roughly 50,000 to 60,000 residential properties and 20,000 commercial properties designated as historic sites.
- **No cost for roughly two years.** The tax credit will immediately spur development but has no cost to the state for roughly two years because a developer receives the credit only when the project is complete.
- **Urban revitalization.** The tax credit encourages redevelopment of older properties in cities (Boston, Springfield, Worcester, Lowell, etc.). This policy helps promote “smart growth” rather than suburban sprawl.
- **Housing.** The tax credit covers residential as well as commercial property -- historic preservation projects often include a substantial amount of affordable housing.
- **Successful model in other states.** Twenty-four (24) other states have a similar tax credit (including Rhode Island and Maine), and these programs have been successful in creating jobs and stimulating development. This tax credit is also modeled on a similar federal tax credit.
 - Maryland’s program implemented in 1999 created 2,454 jobs over a two-year period, according to a comprehensive study.
 - Rhode Island’s program played a key role in the redevelopment of Providence.

**AFFORDABLE HOUSING TRUST FUND IMPLEMENTATION
(Bond Terms)**

Summary: allows for issuance of Affordable Housing Trust Fund bonds by setting terms of bonds at twenty years, with all notes payable not later than June 30, 2029.

Key support: Governor Romney (filed as separate legislation), CHAPA, other housing advocates

- **\$70 million of bond funding.** As part of the Fiscal Year 2004 budget, the Legislature provided for \$70 million of Affordable Housing Trust Fund money over the next five years to support affordable housing. This technical measure (setting bond terms) is necessary to allow for issuance of Affordable Housing Trust Fund bonds.

**BROWNFIELDS DEVELOPMENT – RECAPITALIZATION,
TAX CREDIT EXTENSION**

Summary:

Recapitalize Brownfields Redevelopment Fund (\$8 million); extend Brownfields tax credit for three years.

Key support: House of Representatives (included in House bill), Metropolitan Area Planning Council, Governor Romney

- **Growth and jobs.** Redevelopment of brownfields sites creates jobs and promotes economic growth, especially in cities.
 - Recapitalization of the Brownfields Redevelopment Fund is needed because the Fund has lent its entire \$30 million appropriation.
 - Current tax credit is limited to projects started by August 2003; by extending the tax credit for three years to projects started by August 2006, measure will encourage further cleanup efforts.
- **Smart growth.** Redevelopment of brownfields sites is smart growth that helps cities and towns take advantage of existing infrastructure (transportation, utilities, etc.). Smart growth makes economic sense, especially in light of limited capital funds for transportation and infrastructure.
- **Housing and commercial property.** Brownfields development creates additional sites for affordable housing and for business facilities.

FAST TRACK ZONING AND PERMITTING

Summary:

Local option to create Fast Track Development Sites with streamlined permit process for commercial and industrial sites; local aid incentive payments for cities and towns that create fast track zones; permitting ombudsman in Office of Economic Development to help businesses with regulatory process.

Key support: Mass. Biotech Council, House of Representatives (included in House bill)

- **Manufacturing jobs.** Fast track permitting will enable Massachusetts to attract companies, especially those that need to build facilities quickly.
 - **Biotech manufacturing.** When a biotech company gets FDA approval for a new drug, it needs to start manufacturing as soon as possible to maximize production before its patent expires. Fast track permitting measure is a top priority of the biotech industry.
- **Faster permitting for new facilities.** Under the local option, a city or town would create a coordinated, expedited process for reviewing permit applications and resolving appeals. Permits for Fast Track Development Sites would be awarded (or denied) within a matter of several weeks.
 - Projects still subject to expedited environmental and historical review.
- **Streamlined process.** For Fast Track sites, a developer or business would deal with a single point of contact in the city or town. The permitting ombudsman in the Office of Economic Development would serve as a resource to help navigate the process at the state level.
- **Reduced costs for development.** Streamlined permitting reduces the costs of developing new facilities, including attorneys' fees for legal and compliance costs and the costs caused by delays.
- **Competitiveness.** Businesses widely complain that Massachusetts has a more complicated, slower system of permitting than other states. Some states such as North Carolina have special development zones to attract development, especially for the biotech industry.

FOOD & FARMLAND PROTECTION INITIATIVE

Summary:

This proposal is part of a comprehensive set of cost-effective measures that promote & protect Massachusetts's farmers and farm products by establishing a preference for Massachusetts grown products in state procurement. The bill also improves market connections between farmers & consumers and provides incentives to preserve farmlands in the Commonwealth.

Key support: Conservation Law Foundation, American Farmland Trust, Berkshire Grown, Cape Cod Cranberry Growers' Association, Community Involved in Sustaining Agriculture (Pioneer Valley), Massachusetts Farm Bureau Federation, the New England Small Farm Institute, Southeastern Massachusetts Agriculture Partnership, Massachusetts Public Health Association, Somerville Public School Food Service, The Trustees of Reservations, Mass. Audubon, Massachusetts Department of Food and Agriculture, and the Massachusetts Executive Office of Environmental Affairs.

- **Promote sales of Massachusetts-grown food.**
- **Creates Jobs.**
- **Provides more flexibility to municipalities to enact local laws protecting farming.**
- **Creates a loan program for farmers engaged in activities such as marketing, organic farming, or value-added production.**