House Economic Development Bond Bill Summary (H.5576)

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On July 6th the House Committee on Ways and Means released their version of the Economic Development Bond Bill or the "Mass Wins Act", which increased the size of the from $305 million to $425 million. The House then passed their version of the bill on July 8, which increased the authorization by $136 million, primarily in earmarks to $561 million. This is still significantly smaller than the almost $4 billion bill signed into law in 2024.

The bill includes potential investments in a number of new and existing programs as well as outside sections that touch on a wide range of policies. However, because this is a bond bill, funding will need to be allocated by the Administration via future capital plans, which are often released in late June of each year. Those plans create a road map for allocated funding for projects and programs over the next five years.

During debate the House added several new policy proposals to the bill including expanding the Housing Development Incentive Program (HDIP), adopting a commission to address double poles, adding a version of the tenant opportunity to purchase policy that was passed by the House in a previous session, and much more.

What comes next?
The bill was referred to Senate Ways and Means for review. Based on rules adopted by both branches this session, the Senate is expected to pass this bill before July 31. They will likely go to a Conference Committee which will negotiate a final bill for passage.

Funding Authorizations

- $50 million for technical assistance for municipalities to help with commercial conversion – **New to House Bill**
- $20 million for veteran supported housing – **New to House Bill**
- $50 million for the remediation of state-owned buildings to support housing creation – **New to House Bill.**
- $500,000 to help current or former employees who were authorized to work under the Temporary Protected Status program to obtain alternate work authorization. Filed as an amendment by Rep. Fluker-Reid – **New to House Bill.**
- $25 million for grants to municipalities, RPAs, and others to support economic development & downtown revitalization. The House added a $200k earmark for security at Boston Calling.
- $25 million for grants to enhance the arts, culture, and the creative economy.
- $20 million to grants to develop potential high growth business sites.
- $10 million for food science grants.
- $100 million for investments to promote economic growth, job creation, and talent recruitment and retention in the defense sector.
- $75 million for grants to develop AI in life sciences, healthcare, advanced manufacturing, climate tech, quantum, defense technology, transportation and robotics industries.
- $25 million for a competitive MassTech grant program to advance robotics R&D.
- $25 million for a grant program to assist private businesses with climate friendly expansions.

Key Legislative Provisions

Planning Board Training (Section 8): Requires EOHLC to establish training for local planning boards, special permit granting authorities and zoning boards of appeals to provide education and self-evaluation. The training must be completed every two years and offered at no cost to municipalities.

Site Plan Review (Sections 41, 47, 48 and 160)**:** Many municipalities use Site Plan Review to review developments' compliance with local zoning requirements and to ensure that developments otherwise align with objective municipal health and safety needs. However, no state statute currently establishes or governs the Site Plan Review process. Codifying Site Plan Review and establishing a clear framework for the process would enable enhanced predictability and more reliable development review timelines for developers of residential, commercial, and industrial properties alike. Similar language was included in the Governor and Committee's version of the bill.

Commercial Conversion (Sections 42, 43, 45, 46, 49-51 & 60-62): Empowers municipalities to opt in to zoning changes that make it easier to convert vacant and underused commercial properties into housing by right, with fewer regulatory barriers and more flexibility for building reuse. Municipalities will be able to impose affordable housing requirements on projects that do not exceed 10% without approval from the EOHLC. Similar language was included in the Governor and Committee's version of the bill.

Housing Development Incentive Program (HDIP) Expansion (Sections 58A, 66A and 77B): Increases the HDIP tax incentive available to developers with proposed market-rate housing projects in eligible Gateway Cities by $10 million per year to $40 million and sets the maximum credit at $5 million.

Micromobility Regulations (Section 91 – 109, 148): Creates a micromobility framework and updates definitions to clarify regulations for micromobility devices. This includes adding class 3 e-bikes to MGL which standardizes ebikes with the federal framework. This language mirrors MAPC's priority in the micromobility bill, S.3077, to create a speed based framework for regulations.

Tenant Opportunity to Purchase (Section 131) Initially filed by Rep. Livingstone, allows municipalities to provide a tenant association with a right of first refusal to a purchase offer; sets terms of such right. This mirrors the version of TOPA that was passed in 2022, not the most current version of the bill.

Double Pole Commission (Section 131B, 147A, 157C): Filed by Rep. Lewis, establishes a permanent commission to share information about double utility poles and requires the creation of a report regarding double utility pole activity in the Commonwealth.

MAPC Municipal Affordable Housing Trust Coordination (7004-0107): Filed by Rep. Gentile, authorizes $50,000 for regional coordination of municipal affordable housing trusts and a regional housing strategy.

New and Amended Policies of Note

Jobs Report (Section 7): Requires several agencies to create a report on the Commonwealth's job market including policy and funding recommendations. Unlike the Committee's version, the House's version requires the report to be every other year.

Changes to MassCEC's Powers (Section 20): Adds creating pathways towards economic self-sufficiency for low and moderate-income individuals and communities in the climatetech industry.

Commonwealth Federal Matching, Resiliency and Debt Reduction Fund Changes (Section 38 and 139): Adds using the fund to protect the Commonwealth from the elimination/delay of federal funds and improving the stability of hospitals and community health centers. Additionally, it takes $200m from the fund to support private ($25m) and public ($175m) higher education institutions to make up for lost federal funding (Section 139).

Yes in God's Backyard (Section 42 and 62): Allows the by right construction of multifamily housing on land owned by religious organizations. Limits the size of any lot to 4 acres and a maximum of 30 units per acre. It also bars construction on land zoned for schools.

Video Game Company Tax Credit (Sections 70A, 86A-C, 89A, and 157A): Filed by Rep. Dan Donahue, creates a tax credit for companies that spend more than $50,000 on development costs in Massachusetts. The tax credit can be equal to 25% of in state development costs for a maximum of 5 consecutive years. This mirrors language in the Economic Development Committee's version of the bill.

Adaptive Reuse Preference (Section 71-72, 74-75): Adds a preference to the state's historic rehabilitation tax credit for projects that are adaptive reuse allowed as-of-right in commercially zoned districts.

Vehicle Superload Permits (Section 90A)**:** Tasks DOT with implementing a fee schedule and expedited permit process for vehicles that weigh more than 199,000 pounds and exceed 14x14x155.

Health Inspection of Food Trucks (Sections 110): Requires DPH to promulgate regulations for the inspection of food trucks within 12 months of enactment so that they do not differ from town to town.

Sunday Alcoholic Beverage Sales (Section 129H): Filed by Rep. Lewis, this amendment would allow for the sale of alcoholic beverages on Sunday at 8AM instead of 10AM.

Involuntary Tow Fee Increased (Section 131A): Filed by Rep. Donahue, increases the maximum daily storage rate for towed vehicles from $35 a day to $49 a day.

Cape Cod and Islands Bridge Commission (Section 147D): Commission to study the economic development and connectivity of the impacted region during the Sagamore bridge replacement.

Concord Route 2 Study (Line Item 7002-8085): Filed by Rep. Cataldo, authorizes $500,000 for a study to evaluate the cumulative economic impacts of the Route 2 Concord rotary improvements and MCI Concord redevelopment.

Other Sections of Note

- **Investment Trust Consolidation** (Sections 15-24, 90, 146): Repeals and consolidates duplicative climate trust funds including the Alternative and Clean Energy Investment Trust Fund, Massachusetts Renewable Energy Trust Fund, and combines them into the Climatetech Investment fund.
- **Climate Tax Incentive Standardization:** Makes a number of changes to this tax credit to standardize it (Sections 25-30, 69, 70, 85, 86, 147).
- **Gridtech Deployment Advisory Board** (Section 31): Creates a gridtech deployment advisory board to explore public-private partnerships to scale and deploy technology, facilitate distribution connections, and prioritize solutions that reduce energy costs and emissions.
- **Mayoral Zoning** (Section 44)**:** Allows mayors to initiate zoning proposals. Current statute only allows zoning changes to be proposed by the city council, board of selectmen, board of appeals, planning board, regional planning agency, certain voters, or by other methods provided by municipal charter. Explicitly naming that mayors have this power will support quicker zoning proposals informed more directly by municipal staff.
- **Changes to MassVentures**: Increases the max initial investment in a singular security from $1m to $2m and $2m to $4m for a board approved additional investment (Section 53 -54).

- **Municipal Broadband Improvements**: Allows municipalities to advance broadband projects via upfront payment for make-ready infrastructure work (Section 59).
- **Small Business Utility Tax Exemption**: Allows the exemption to be claimed by companies with 10 or less employees and gross income of less than $2m in the previous year and expected in the next fiscal year (Section 87-88).
- **Nursing Exams:** Waives the requirement that English proficiency nursing exams be taken if certain requirements are met such as having previously passed an English proficiency test or having received a nursing degree elsewhere in the US (Section 111 - 112).
- **Engineers as Home Inspectors:** Allows licensed engineers to become home inspectors, if they have completed 50 supervised inspections and met other requirements (Section 121).
- **LLC Certification Cost:** Reduces the cost for filing a certificate from $500 to $100 and reduces the annual reporting fee to $200 for the first year and increases it by $100 annually to a maximum of $500 (Section 131). For microbusiness, the filing fee is capped at $300. This was adopted via amendment filed by Rep. Orlando Ramos.
- **Economic Development Utility Rates** (Sections 133 and 149)**:** Creates a standardized discount utility rate to attract new businesses to the Commonwealth. The rates should be as consistent as possible between distribution companies. These rates may include requirements around job creation/retention, capital investment, and other requirements. These costs shall not be shifted to utility customers. Guidelines for this program shall be filed within 6 months of the bill becoming law.

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