Senate Economic Development Bond Bill Summary (S.3228)

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On July 24th, 2026, after twelve hours, the Senate concluded debate of their version of the Economic Development Bond Bill, S.3228. The bill includes several policies that were present in previous iterations of the legislation. Several new policies mirror those that were included in H.5527, *An Act relative to Massachusetts winning global investment, talent, and innovation*, that was reported by the Joint Committee on Economic Development and Emerging Technologies. A summary of the Governor's bill as filed can be found here and a summary of the House's bill can be found here.

The Senate's bill, like the House's, includes housing policy. It does not include the Yes in God's Back Yard language that the House passed but does include policies that would allow duplexes by right. It allows for happy hour by local option and returns control of liquor licenses to municipalities. During debate several new line items and policies were added including a key priority for MAPC, permanently extending the current practice of municipal flexibility to choose in person, remote or hybrid public meetings. Other priority additions include support for seasonal communities and creating a Municipal and Public Safety Building Authority Commission to study the feasibility of creating a funding mechanism like the MSBA to build and renovate municipal buildings.

The bill includes potential investments in several new and existing programs across the $575 million authorization. This is a $14 million (2.5%) increase over the House bill, a $270 million (88.5%) increase over the Governor's bill, but a $3.38 billion (85%) decrease from the bond the Governor signed into law in 2024. 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.

What comes next?

Both branches appointed a Conference Committee, which will negotiate a final bill for passage. The House conferees are Reps. Michlewitz, Fiola, and Soter, and Senators Finegold, Rodrigues, and Durant. Because this is a money bill, the Governor will be able to veto line items and sections. Under rules adopted this session, conferees are empowered to continue deliberations until the end of the session on January 5, 2027.

Funding Authorizations

New Senate Authorizations

- $100m to serve as a bridge fund for higher education institutions
- $10m for the Mass Business Development Corporation
- $10m for Mass Development to make loans to economically disadvantaged small businesses
- $15m for food science grants filed by Sen. Comerford ($10m in the House & SWM)*
- $10m to support the acquisition, construction, rehabilitation, and preservation of affordable year-round housing in seasonal communities filed by Sen. Cyr*
- $5m to enhance agritourism across Massachusetts. Filed by Sen. Comerford*
- $2.5m for an Affordable Homeownership Pilot (within 7002-8087) filed by Sen. Miranda*
- $2.5m for grants to municipalities to convert vacant storefronts into temporary pop-up stores (within 7002-8085) filed by Sen. Creem
- $1m to support art, performance, cultural and community programming in downtown, commercial areas, cultural districts, gathering places, and nightlife destinations filed by Sen. Cyr*

**Added/modified during debate by amendment*

In the Senate & House Bills

- $100m for investments to promote economic growth, job creation, and talent recruitment and retention in the defense sector
- $75m for grants to develop AI in life sciences, healthcare, advanced manufacturing, climate tech, quantum, defense technology, transportation, and robotics industries
- $25m for climate resilient business expansion
- $25m for a competitive MassTech grant program to advance robotics R&D
- $25m for grants to municipalities, RPAs, and others to support economic development
- $25m for grants to enhance the arts, culture, and the creative economy
- $20m to grants to develop potential high growth business sites
- $10m for food science grants

Only Included in the House

- $50m for technical assistance for municipalities to support commercial conversions
- $50m for the remediation of state-owned buildings to support housing creation
- $20m for veteran supported housing
- $500,000 to help current or former employees who were authorized to work under the Temporary Protected Status program to obtain alternate work authorization.

<u>MAPC Priorities</u>

Cultural Facilities Fund Eligibility Expansion (Section 19): Makes it easier for municipalities to receive support from the Cultural Facilities Fund for their local institutions. This language was also in H.5576, the Joint Committee on Economic Development and Emerging Technology's version of the bill.

Permanent Remote Hybrid Meetings* (Sections 50-53): Filed by Senator Rausch, allows for permanent flexible remote and hybrid meeting options, like those that are currently in place and have been extended 4 times since 2020. This also gives hybrid and remote flexibilities to towns with Representative Town Meeting structures.

Site Plan Review* (Sections 63-64, 71-42, 339) 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. Senator Cyr filed an amendment that allows municipalities to establish uniform design guidelines but does not define what that entails.

Commercial Conversion (Sections 67, 69-70, 74-75): 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. Similar language was included in the Governor and House's version of the bill.

Micromobility Regulations (Section 140 – 162, 330-151): Creates a micromobility framework and updates definitions to clarify regulations for micromobility devices. This includes adding Class 3 e-bikes to MGL, which standardizes e-bikes with the federal framework. The Senate language includes a 20-mph speed limit for micromobility devices on shared use paths and lowers the age for purchase, use, or rental of tiers 1, 2, and 3 micromobility devices to 14 years old whereas the House set this at 16 years old.

**Added/modified during debate by amendment*

Speed Enforcement Cameras for School, Safety and Construction Zones* (Section 163, 344, & 352) Filed by Senator Brownsberger, allows for automatic speed enforcement via camera in school and construction zones. The first violation will be a warning with subsequent violations at $25 or $100.

Municipal and Public Safety Building Authority Commission* (Section 334): Filed by Senator Comerford, this creates a legislative commission to develop a comprehensive framework for the creation of a municipal and public safety building authority. The report is due September 2028.

Tenant Opportunity to Purchase Act Pilot Program* (Section 335): Creates a 5 municipality 5-year TOPA pilot program that allows tenants to collectively purchase their building when it is up for sale. This is significantly different from the local option language the House passed in their version of the bill, and from S.998, that Senator Jehlen filed as a standalone bill and as an amendment.

New Policy Provisions of Note

International Soccer* (Within 7002-8087): Filed by Senator Feeney, requires the Massachusetts International Trade Office to convene a working group to study the feasibility of hosting an international soccer tournament.

Juvenile Jurisdiction* (Sections 6, 7A, 56, 106, 165-169, 176-212, 273-291, 301, 310-312): Filed by Senator Crighton, raises the maximum age of juvenile justice jurisdiction from 18 to 19. It also changes the age of youthful offenders from 18-21 to 19-21. This was included in the Senate's 2024 Economic Development Bond Bill but was not included in the final bill.

Automated Criminal Record Sealing* (Section 11 & 305): Filed by Senator Friedman, automatically seals eligible criminal and juvenile records, generally after 3 years for misdemeanors and juvenile offenses and 7 years for felonies, within 30 days of eligibility, with implementation required by July 1, 2030.

Housing Grant Modifier* (Section 12): Requires EOHLC, the Division of Local Services (DLS), to create a preference modifier for discretionary and competitive grant programs for applicants or prospective recipients to have zoning or land use policies that encourage the production of housing sufficient to meet the Commonwealth's housing goals. These policies may include as-of-right zoning capacity for multifamily housing, the elimination of parking and restrictive lot size requirements as well as wastewater and wetlands standards that do not exceed state health or environmental standards. An amendment filed by Senator Comerford added language that would allow guidance to vary in accordance with regional plans, and that ANF must hold two hearings on the guidance in separate areas.

Gateway Cities & Similarly Situated Municipalities* (Section 14-16): Filed by Senator Driscoll, updates the definition of Gateway Cities and adds a definition for similarly situated municipalities that either have an average median household income or a rate of educational attainment of a bachelor's degree or higher that is below the Commonwealth's average. Requires EOED to update the list of qualified communities every 3 years.

Housing Appeals Committee (Section 17): Adds 2 seats to the Housing Appeals Committee that are appointed by the Secretary and increases the term length from 1 year to 2.

ENOUGH Act* (Section 18): Filed by Senator DiDomenico, creates the Engaging Neighborhoods, Organizations, Unions, Governments and Households (ENOUGH) Fund, to offer grants to further community-driven, place-based strategies and programs aimed at reducing poverty and increasing community health, safety and well-being.

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Conservation Commission Record Retention (Section 58): Requires commissions to retain a record of rules and regulations adopted and indicate whether each rule or regulation is more restrictive than the requirements of the Wetland Permitting Act. This was included in H.5527, the Joint Committee on Economic Development's proposal.

Duplex By Right (Section 65 and 66): Bars local zoning by-laws and ordinances from prohibiting duplexes on residential lots. Municipalities may establish uniform design guidelines so long as they do not make it financially infeasible to construct the duplex.

Zoning Board of Appeals Hearings (Section 76) Requires a public hearing within 30 days of an appeal being filed and restricts hearings from lasting more than 60 days. A decision must be made 100 days after filing.

Updating 40R* (Section 84): Filed by Senator Payano, roughly doubles the zoning incentives and doubles the density bonus paid to municipalities to $6,000 from $3,000.

Municipal Tax Relief* (Section 107 –110): Filed by Senator Collins, this mirrors a bill that the Senate passed earlier this year. The provision expands the existing local option for an age-based property tax exemption by lowering the minimum age to 65, increasing the exemption to $1,500, raising income limits to not more than 50% of AMI, increasing whole-estate limits, and excluding up to three dwelling units from the whole-estate calculation.

Adaptive Reuse Tax Exemption (Section 109): Allows a municipality to adopt a tax exemption of 10%+ the value of the residential portion of an adaptive reuse project for 5-20 years. This was also included in H.5527.

First-Time Home Buyer & Rental Savings Accounts* (Section 112): Filed by Senator Tarr, establishes, two tax-advantaged savings accounts-rental savings accounts and first-time home buyer savings accounts-allowing deductions from taxable income for both annual contributions and account earnings over 15 years. Eligible deposits are capped $15k and $25k per year for single accounts and $30k and $50k for shared rental and homeowner accounts respectively.

62F Changes* (Section 122): Filed by Senator Lewis, makes changes to Chapter 62F, the statute that requires the Department of Revenue to issue a credit to taxpayers if total tax revenues in a given fiscal year exceed an annual cap tied to wage and salary growth in the Commonwealth. The language in this new section will stop the credit from being offered if DOR determines that the net state tax revenues in the fiscal year are less than 7.5% of the statewide personal income for the calendar year.

Residential PACE (Section 139): Filed by Senator Edwards, creates a local option program allowing municipalities to make certain improvements to residential properties (storm hardening, flood mitigation, energy efficiency, renewable energy, water conservation improvements, sewerage, roofing, and others) to be repaid through betterment assessments via a financing agreement with the property owner.

Transparency in Frontier Artificial Intelligence Act* (Section 164): Requires AI developers to comply with and publish on their website a framework for how the developer will assess and mitigate catastrophic risks. The company will send the Attorney General (AG) a summary of any assessment of catastrophic risk resulting from internal use of its models every 3 months or as agreed with the AG. Requires the AG to create a reporting portal for critical safety incidents. The AG can also bring civil action against developers for violations of this section. This was also included in H.5527. An amendment filed by Senator Rush required

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that that large AI developers update their risk report every 180 days and be subject to a yearly audit by an independent third party to ensure compliance with this section

Stopping Financial Exploitation Seniors & Adults with Disabilities* (171): Filed by Senator Feeney, allows a financial institutions/professionals to take steps to protect seniors and adults with disabilities from financial fraud including delaying or canceling transactions, notifying relevant agencies, and more. It also provides certain protections for financial institutions/professionals.

Social Worker, Psychologist & Physical Therapist Compacts* (Section 175): Filed by Senator Kennedy, Senator Creem and Senator DiDomenico respectively, allows social workers, phycologists, and physical therapists to practice across state lines and preserves each state's authority to regulate the profession and discipline practitioners.

Liquor Licenses (Sections 221 – 222, 224-230 and 340): Provides municipalities with the ability to regulate alcoholic beverage, wine and malt liquor licenses—including seasonal licenses. It maintains the number of liquor stores that a municipality can have based on population. It also makes several other changes to different types of liquor licenses.

Local Option Happy Hour* (Section 231): Filed by Senator Cyr, allows municipalities to pass a local option happy hour where drinks can be discounted before 10pm. Discounts must be posted at least 3 days in advance and cannot change during the discount period. Similar language was included in the Senate's 2024 Economic Development Bond Bill but was not included in the final bill.

Social Districts* (Section 231): Filed by Senator Kennedy, allows municipalities by local option to designate certain areas where alcohol can be consumed in public. Local establishments can sell alcohol for consumption in these areas. Municipalities are allowed to put their own restrictions in place as they deem appropriate.

Ticket Resale Prices (Section 240): Filed by Senator Fernandes, establishes that tickets may not be resold for more than 110% of the original ticket value, with some stipulations.

Ticket Resale Regulations (Section 232 - 239): Updates the law around live-event ticket sellers by modernizing definitions, addressing resale licenses and more.

Building Code Appeals (Section 241): Clarifies the powers of the Board of Building Regulations and Standards to grant variances from current and future specialized stretch energy codes.

LLC Certification Cost (Section 265): 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. However, unlike the House, the starting fee will be $500 if the LLC's purpose is to hold real estate or has/is expected to have over $1m in assets.

Cryptocurrency ATM Misuse* (Section 269): Filed by Senator Cronin, bars virtual cryptocurrency kiosks from operating in Massachusetts.

Policies of Note in Both House Version and Senate Proposal

Investment Trust Consolidation: Repeals and consolidates duplicative climate trust funds including the Alternative and Clean Energy Investment Trust Fund (Section 8), Massachusetts Renewable Energy Trust Fund (Section 33, Section 137), and others.

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Climate Tax Incentive Standardization: Makes a number of changes to standardize this tax credit. (Sections 22 –24, 38-42, 45-47, 113-119, 133-134).

Gridtech Deployment Advisory Board (Section 43): 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.

Commonwealth Federal Matching, Debt Reduction Fund Changes (Section 48): 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. However, the Senate does not reallocate any funds to public or private education institutions.

Mayoral Zoning (Section 68)**:** 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 Mass Development Loans (Section 78-79): Increases the max initial investment in a singular security from $1m to $2m and $2m to $4m for a board approved additional investment.

Municipal Broadband Improvements (Section 105): Allows municipalities to advance broadband projects via upfront payment for make-ready infrastructure work. It also covers school travel, software licenses, and online subscriptions.

Adaptive Reuse Preference (Sections 120, 124): 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.

Health Inspection of Food Trucks (Section 172): Requires Department of Public Health (DPH) to promulgate regulations for the inspection of food trucks so that they do not differ from town to town.

Nursing Exams (Section 214): 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.

Engineers as Home Inspectors (Section 215): Allows licensed engineers to become home inspectors if they have completed 50 supervised inspections and have met other requirements.

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