
**Massachusetts Department of Revenue
Division of Local Services**

**Current Developments
in
Municipal Law**



2014

Legislation and Agency Decisions

Book 1

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LEGISLATION AND AGENCY DECISIONS

Book 1

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LEGISLATION

**PLEASE NOTE THIS COMPILATION WAS MADE FROM ELECTRONIC
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RESOLVES (SESSION LAWS) AND BILLS FILED FOR 2013-2014
SESSION**

2014 LEGISLATION

CHAPTER 62 - VETERAN AND OPTIONAL ADDITIONAL EXEMPTIONS

Effective July 2, 2014, unless otherwise noted

§§ 9, 11, 12 and 13 Paraplegic Veterans Exemption. *Applies for fiscal years beginning on or after July 1, 2015.* Codifies the full exemption from property taxes on the domiciles of paraplegic veterans as Clause 22F of G.L. c. 59, § 5. Assessors now grant these veterans exemptions under G.L. c. 59, § 5, Clause 22(a) as veterans with minimum 10% disability ratings and then obtain authority from the Department of Revenue (DOR) to abate the balances owed under G.L. c. 58, § 8. See G.L. c. 58, § 8A repealed by Section 9 of the Act. Beginning in fiscal year 2016, the assessors will grant the full exemption under the new Clause 22F instead. A paraplegic veteran's surviving spouse remains eligible for the full exemption under the new Clause 22F, which will also apply to the veteran's spouse where ownership of the domicile is held by the spouse during the veteran's lifetime. There is no change in the state reimbursement to cities and towns. The municipality funds the first \$175 of the exempted tax and the state reimburses the balance.

§§ 10 and 16 Personal Exemptions. Amends the introductory paragraph of G.L. c. 59, § 5 and G.L. c. 59, § 59 to include several new personal exemption clauses enacted in recent years in order to ensure uniformity in the administration of personal exemptions. Specifically, the amendments ensure that all personal exemption applications will be due December 15 or three months after the actual tax bills are mailed, whichever is later, and that all taxpayers who receive a personal exemption receive one exemption on the property with the exception of a Clause 18 hardship exemption or Clause 45 exemption for solar or wind-powered improvements to the property.

§§ 14 and 27 Optional Additional Exemption. *Applies for fiscal years beginning on or after July 1, 2015.* Codifies the so-called "optional additional exemption" that was enacted in 1986 when communities were completing their first revaluations in many years. St. 1986, c. 73, § 4. In communities that accept that local option, the legislative body may vote annually to give taxpayers receiving the personal exemption clauses listed in the statute an additional exemption of up to 100 per cent of the exemption amount, provided the taxpayers do not pay less in taxes than paid in the previous year. Beginning in fiscal year 2016, however, the exemption will be granted under a new section 5C½ of G.L. c. 59. Upon acceptance, the legislative body must vote the exemption percentage by the July 1 beginning of the fiscal year it will apply. The personal exemption clauses listed in the new optional additional exemption statute have been updated to include those enacted since 1986.

§ 15 Veteran Work-off Abatement. Amends G.L. c. 59, § 5N, which if accepted, allows cities and towns to create work-off abatement programs for veterans similar to those established for seniors (60 and older) under local acceptance G.L. c. 59, § 5K. The amendment makes the spouses of veterans who have service-connected disabilities, or the surviving spouses of deceased veterans, eligible to participate in the program.

§ 17 Motor Vehicle Excise Exemption for Domiciliary Military Personnel. *Applies for excise calendar years beginning on or after January 1, 2015.* Amends the local acceptance provision in G.L. c. 60A, § 1, that allows cities and towns to exempt from the motor vehicle excise Massachusetts residents who are on active military duty. Beginning in calendar year 2015, the exemption will apply if the resident is deployed outside Massachusetts for at least 45 days of the excise calendar year. Currently, the servicemember must be deployed outside the United States.

§ 35 Veteran Exemption Study. Requires the Department of Veterans' Services (DVS) to study the creation of a sliding scale for the exemptions granted veterans based on a percentage of the disability rating of the United States Department of Veteran Affairs. The DVS is to consult with the DOR and report its findings and any proposed legislation to the Joint Committee on Veterans and Federal Affairs and the House and Senate Ways and Means Committees by November 1, 2014.

CHAPTER 62 OF THE ACTS OF 2014 (EXCERPTS)

An Act Relative to Veterans' Allowances, Labor, Outreach and Recognition.

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

SECTION 9. Section 8A of chapter 58 of the General Laws is hereby repealed.

SECTION 10. Section 5 of chapter 59 of the General Laws is hereby amended by striking out the first paragraph, as appearing in the 2012 Official Edition, and inserting in place thereof the following paragraph:-

The following property shall be exempt from taxation and the date of determination as to age, ownership or other qualifying factors required by any clause shall be July first of each year unless another meaning is clearly apparent from the context; provided, however, that any person who receives an exemption under the provisions of clause Seventeenth, Seventeenth C, Seventeenth C½, Seventeenth D, Twenty-second, Twenty-second A, Twenty-second B, Twenty-second C, Twenty-second D, Twenty-second E, Twenty-second F, Thirty-seventh, Thirty-seventh A, Forty-first, Forty-first B, Forty-first C, Forty-first C½, Forty-second, Forty-third, Fifty-sixth or Fifty-seventh shall not receive an exemption on the same property under any other provision of this section, except clause Eighteenth or Forty-fifth.

SECTION 11. Clause Twenty-second E of said section 5 of said chapter 59, as so appearing, is hereby amended by striking out the last paragraph.

SECTION 12. Said section 5 of said chapter 59, as amended by chapter 46 of the acts of 2013, is hereby further amended by inserting after clause Twenty-second E the following clause:-

Twenty-second F, Real estate of soldiers and sailors who are veterans, as defined in clause Forty-third of section 7 of chapter 4, and their spouses who, according to the records of the United States Department of Veterans Affairs or of any branch of the armed forces of the United States by reason of injury received while in service and in the line of duty are paraplegics; provided, however, that the veteran or spouse shall be a legal resident of the commonwealth, the veteran's last discharge or release from the armed forces was under other than dishonorable conditions and the veteran was domiciled in the commonwealth for at least 6 months prior to entering service or resided in the commonwealth for 5 consecutive years prior to the date of filing for exemption pursuant to this clause; provided, further, that the real estate is occupied as the veteran's domicile; provided, further, that if the property is greater than a single-family house, then only that value of so much of the house as is occupied by the person as the person's domicile shall be exempted; and provided, further, that an exemption pursuant to this clause shall continue unchanged for the benefit of the surviving spouse after the death of the disabled veteran as long as the surviving spouse of the qualified veteran shall remain an owner and occupant of a domicile subject to the exemption.

No real estate shall be exempt if the assessors adjudge that it has been conveyed to a soldier or sailor to evade taxation.

After the assessors have allowed an exemption pursuant to this clause, no further evidence of the existence of the facts required by this clause shall be required in any subsequent year in the city or town in which the exemption has been allowed; provided, however, that the assessors may refuse to allow an exemption in any subsequent year if they become aware that the soldier or sailor did not satisfy all of the requisites of this clause at the time the exemption was first granted.

Two thousand dollars of this exemption or up to \$175, whichever basis is applicable, shall be borne by the city or town and the balance shall be borne by the commonwealth; provided; however, that the state treasurer shall annually reimburse the city or town for the amount of the tax which otherwise would have been collected on account of this balance.

Notwithstanding this section, in any city or town which accepts this clause, the exemptions available pursuant to clauses Twenty-second, Twenty-second A, Twenty-second B, Twenty-second C, Twenty-second D, Twenty-second E and Twenty-second F may be granted to otherwise eligible persons who have resided in the commonwealth for 1 year prior to the date of filing for exemptions pursuant to the applicable clause.

SECTION 13. Section 5C of said chapter 59, as appearing in the 2012 Official Edition, is hereby amended by striking out, in lines 13 and 14, the words "of section eight A of chapter fifty-eight and".

SECTION 14. Said chapter 59 is hereby amended by inserting after section 5C the following section:-

Section5C½. In a city or town that accepts this section and is certified by the commissioner to be assessing all property at full and fair cash valuation, a taxpayer who otherwise qualifies for an exemption pursuant to any clause specifically listed in the first paragraph of section 5 for which receipt of another exemption on the same property is prohibited, shall be granted an additional exemption that shall be uniform for all exemptions and the amount of which shall not exceed 100 per cent of the exemption for which the taxpayer qualifies, as may be determined by the legislative body of the city or town, subject to its charter, not later than the beginning of the fiscal year to which the tax relates. Notwithstanding any provision of this

chapter to the contrary, the exemption shall be in addition to any exemption allowable pursuant to said section 5; provided, however, that in no instance shall the taxable valuation of the property, after all applicable exemptions, be reduced below 10 per cent of its full and fair cash valuation, except through the applicability of clause Eighteenth of said section 5; and provided, further, that the additional exemption shall not result in any taxpayer paying less than the taxes paid in the preceding fiscal year. Acceptance of this section by a city or town shall not increase the amount that it otherwise would have been reimbursed by the commonwealth pursuant to the respective clause.

SECTION 15. Section 5N of said chapter 59, as appearing in the 2012 Official Edition, is hereby amended by inserting after the figure “4”, in line 5, the following words:- or a spouse of a veteran in the case where the veteran is deceased or has a service-connected disability.

SECTION 16. Section 59 of said chapter 59, as so appearing, is hereby amended by striking out the third paragraph and inserting in place thereof the following paragraph:-

An application for exemption under clause Seventeenth, Seventeenth C, Seventeenth C½, Seventeenth D, Eighteenth, Twenty-second, Twenty-second A, Twenty-second B, Twenty-second C, Twenty-second D, Twenty-second E, Twenty-second F, Thirty-seventh, Thirty-seventh A, Forty-first, Forty-first B, Forty-first C, Forty-first C½, Forty-second, Forty-third, Fifty-second, Fifty-third, Fifty-sixth and Fifty-seventh of section 5 may be made on or before December 15 of the year to which the tax relates or, if the bill or notice is first sent after September 15 of that year, within 3 months after the bill or notice is so sent.

SECTION 17. Section 1 of chapter 60A of the General Laws, as so appearing, is hereby amended by striking out, in lines 135 and 136, the words “continental United States” and inserting in place thereof the following word:- commonwealth.

SECTION 27. Section 4 of chapter 73 of the acts of 1986 is hereby repealed.

SECTION 35. The department of veterans’ services, in conjunction with the department of revenue, shall study the feasibility and analyze the merits of implementing a sliding scale property tax abatement for veterans and spouses, currently implemented under clause Twenty-second of section 5 of chapter 59 of the General Laws, based upon a percentage of disability as defined by the United States Department of Veterans Affairs. The study shall include, but not be limited to: (i) the methodology of granting such exemption in other states; (ii) the utilization of a sliding scale, based upon the percentage of the veteran’s disability, in awarding the property tax exemption to veterans and spouses; (iii) the impact on disabled veterans; and (iv) any anticipated monetary cost to the commonwealth or to municipalities that the exemption may cause. The department of veterans’ services, in conjunction with the department of revenue, shall submit its findings and legislative recommendations to the clerks of the house of representatives and senate, the house and senate committees on ways and means and the joint committee on veterans and federal affairs on or before November 1, 2014.

Approved April 3, 2014.

CHAPTER 165 – FISCAL YEAR 2015 STATE BUDGET

Effective July 1, 2014, unless otherwise noted

§ 3 Local Aid Advances. Authorizes the State Treasurer to advance payments of fiscal year 2015 local aid distributions to a city, town, regional school district or independent agricultural and technical school that demonstrates an emergency cash shortfall, as certified by the Commissioner of Revenue and approved by the Secretary of Administration and Finance (A & F).

§§ 61-66 Uniform Procurement Act. Increases from \$25,000 to \$35,000 the thresholds found in G.L. c. 30B, §§ 4, 5, 6, 6A, 7 and 16 regarding contracts for goods and supply, or real estate acquisitions or dispositions, that require competitive procurement procedures.

§ 73 Group Health Insurance Coverage for Surviving Spouses and Dependents of Public Safety Personnel. Adds new local acceptance provision § 9C½ to G.L. c. 32B, which if accepted by a city, town or district, allows the surviving spouses, and dependents, including children under 26, of call, volunteer, intermittent, part-time or reserve firefighters, emergency medical service providers or police officers who are killed in the line of duty, or who sustain injuries that are the direct and proximate cause of death, to continue group health insurance coverage until remarriage by paying the full premium. Acceptance by vote of the town or district meeting, or in Plan D or E city, city council vote and in other cities, city council vote with approval of mayor.

§§ 74 and 75 Other Post-employment Benefits (OPEB) Trust Fund. Amends G.L. c. 32B, § 20, which if accepted lets local governmental units establish an OPEB Fund, by replacing reference to the Health Care Security Trust with the State Retiree Benefits Trust Fund, which is now responsible for managing and investing the OPEB Fund established for state retiree health insurance obligations. See G.L. c. 32A, §§ 24 and 24A, as amended and added by §§ 70 and 72 of Chapter 165. A local governmental unit may designate the state trust as custodian of its OPEB funds and invest them in the state fund.

§§ 76 and 77 Municipal Health Insurance. Amends G.L. c. 32B, § 22 to provide that the first implementation of plan design changes in copays, deductibles and other cost saving features cannot increase, until July 1, 2016, the percentage contribution of retirees, surviving spouses and their dependents from the percentage in effect on May 1, 2014, unless the governmental entity approved the increase before May 1, 2014 to take effect after that date and the Secretary of A&F approves. Previously, no increase was permitted until July 1, 2014 unless the increase was approved before July 1, 2011 to take effect after that date.

§ 83 Municipal Collector. Amends G.L. c. 41, § 38A, which allows a municipality to broaden the tax collector's responsibilities to include collection of fees and charges due the municipality. Ordinarily, a tax collector can only collect taxes committed by the assessors (and certain delinquent amounts constituting liens and added by the assessors to real estate taxes). Under the amendment, the city or town may designate by vote, by-law or ordinance the specific non-tax accounts to be collected by the collector. Previously, if designated a municipal collector, the collector was responsible for collecting all such accounts.

§ 90 Taxation of Financial Institutions. *Applies for taxes assessed on or after January 1, 2015.* Amends G.L. c. 59, § 5(16)(1), which exempts incorporated telephone companies, banks and insurance companies from local taxation on personal property except machinery used in

manufacturing or supplying or distributing water. The amendments conform the exemption to state tax provisions by substituting “financial institution” for bank, including any out of state financial institution doing business in Massachusetts, and applying the exemption to non-corporate telephone companies, financial institutions and insurance companies treated as corporations for federal and state tax purposes.

§§ 91-94 Motor Vehicle Excise Exemptions for Individuals. *Applies for excise calendar years beginning on or after January 1, 2015.* Amends G.L. c. 60A, § 1 to extend the exemption from the motor vehicle excise that certain disabled veterans, disabled non-veterans, former prisoners of war and domiciliary servicemembers may receive for excises assessed for vehicles they own and register to the excise assessed to leasing companies on vehicles they lease.

§ 235 Inventory Tax Commission. Establishes a seven member special commission to study the impact on state and local revenues and businesses of phasing out or eliminating any tax on inventory imposed through local personal property taxes and the state corporate excise and report to the Joint Committee on Revenue within one year of formation. Members include two appointees from each of the House and Senate, and one representative from each of the DOR, Massachusetts Municipal Association and National Federation of Independent Business.

§ 276 Chapter 61A Cranberry Gross Sales. Provides that cranberry bogs classified as agricultural or horticultural land under G.L. c. 61A in fiscal year 2014 will continue to be considered actively devoted to cranberry production during calendar years 2014-2017 even if they do not produce a crop and the minimum gross sales under G.L. c. 61A, § 3, provided the property is maintained during that time period. Under this provision, cranberry growers who keep their bogs out of production during a temporary market condition will continue to qualify for classification.

CHAPTER 165 OF THE ACTS OF 2014 (EXCERPTS)

An Act Making Appropriations for the Fiscal Year 2015 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is immediately to make appropriations for the fiscal year beginning July 1, 2014, and to make certain changes in law, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

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

SECTION 3. Notwithstanding ... Advance payments shall be made for some or all of periodic local reimbursement or assistance programs to any city, town, regional school district or independent agricultural and technical school that demonstrates an emergency cash shortfall, as certified by the commissioner of revenue and approved by the secretary of the executive office for administration and finance, pursuant to guidelines established by the secretary.

SECTION 61. Section 4 of chapter 30B of the General Laws, as appearing in the 2012 Official Edition, is hereby amended by striking out, in lines 3 and 17, the figure “\$25,000” and inserting in place thereof, in each instance, the following figure:- \$35,000.

SECTION 62. Section 5 of said chapter 30B, as so appearing, is hereby amended by striking out, in line 2, the figure “\$25,000” and inserting in place thereof the following figure:- \$35,000.

SECTION 63. Section 6 of said chapter 30B, as so appearing, is hereby amended by striking out, in line 2, the figure “\$25,000” and inserting in place thereof the following figure:- \$35,000.

SECTION 64. Section 6A of said chapter 30B, as so appearing, is hereby amended by striking out, in line 2, the figure “\$25,000” and inserting in place thereof the following figure:- \$35,000.

SECTION 65. Section 7 of said chapter 30B, as so appearing, is hereby amended by striking out, in line 2, the figure “\$25,000” and inserting in place thereof the following figure:- \$35,000.

SECTION 66. Section 16 of said chapter 30B, as so appearing, is hereby amended by striking out, in lines 12 and 15, the words “twenty-five thousand dollars” and inserting in place thereof, in each instance, the following figure:- \$35,000.

SECTION 73. Chapter 32B of the General Laws is hereby amended by inserting after section 9C the following section:-

Section 9C½. Upon the death of a call, volunteer, intermittent, part-time or reserve firefighter, emergency medical services provider or police officer who, while in the performance of duties and as a result of an incident, accident or violence, is killed or sustains injuries which are the direct and proximate cause of death, the surviving spouse and dependents, including children under the age of 26, may continue to participate in group hospital, surgical, medical, dental and other health insurance until the remarriage or death of the surviving spouse. Application for such insurance shall be filed with the appropriate public authority and a method for the payment of premiums shall be determined in accordance with its rules and regulations. The surviving spouse shall also file in the office of the city auditor, town accountant or officer having similar duties, a copy of the marriage certificate of the surviving spouse. The municipality shall charge the surviving spouse 100 per cent of the premium for such hospital, surgical, medical, dental and other health insurance.

This section shall take effect in a city, town or district upon its acceptance in the following manner: in a city having a Plan D or Plan E charter, by a majority vote of its city council; in any other city, by a vote of the city council and approval by the mayor; in a district, by a vote of the registered voters of the district at a district meeting; and in a town, by a vote of the registered voters at a town meeting.

SECTION 74. Section 20 of said chapter 32B, as appearing in the 2012 Official Edition, is hereby amended by striking out, in lines 15 and 16, the words “Health Care Security Trust board of trustees established in section 4 of chapter 29D” and inserting in place thereof the following words:- State Retiree Benefits Trust Fund board of trustees established in section 24A of chapter 32A.

SECTION 75. Said section 20 of said chapter 32B, as so appearing, is hereby further amended by striking out, in lines 20 and 21 and 44, the words “Health Care Security Trust” and inserting in place thereof, in each instance, the following words:- State Retiree Benefits Trust Fund.

SECTION 76. Section 22 of said chapter 32B, as so appearing, is hereby amended by striking out, in line 59, the figure “2014” and inserting in place thereof the following figure:- 2016.

SECTION 77. Said section 22 of said chapter 32B, as so appearing, is hereby further amended by striking out, in lines 62, 64 and 68, the words “July 1, 2011” and inserting in place thereof, in each instance, the following words:- May 1, 2014.

SECTION 83. Section 38A of chapter 41 of the General Laws, as so appearing, is hereby amended by striking out the first sentence and inserting in place thereof the following sentence:-

Notwithstanding any general or special law to the contrary, a city or town may by ordinance, by-law or vote provide that the collector of taxes shall be authorized to collect, under the title of city or town collector, any accounts due the city or town and may in like manner define the collector of taxes’ powers and duties in relation to the collection of such accounts; provided, however, that no such ordinance, by-law or vote shall limit such collector in the exercise of the remedies hereinafter conferred.

SECTION 90. Clause Sixteenth of section 5 of chapter 59 of the General Laws, as amended by section 31 of chapter 46 of the acts of 2013, is hereby further amended by striking out paragraph (1) and inserting in place thereof the following paragraph:-

(1) In the case of: (i) a financial institution as defined in section 1 of chapter 63; (ii) a business corporation subject to taxation under chapter 63 other than a corporation mentioned in either paragraph (2) or (3); (iii) a telephone corporation subject to chapter 166; or (iv) a business corporation subject to taxation under section 20, 23 or 58 of said chapter 63, all property owned by such financial institution or corporation except real estate, poles, underground conduits, wires, pipes and machinery used in manufacture or in supplying or distributing water; provided, however, that in the case of a business corporation subject to taxation under said sections 20 or 23, the laws of the state of incorporation or, in the case of a business corporation of another nation, the laws of the state where it has elected to establish its principal office in the United States, grant similar exemption from taxation of tangible property owned by like corporations organized under or created by the laws of the commonwealth.

SECTION 91. Section 1 of chapter 60A of the General Laws, as appearing in the 2012 Official Edition, is hereby amended by inserting after the word “by”, in lines 83, 88, 95, 102, 132 and 140, each time it appears, the following words:- or leased to.

SECTION 92. Said section 1 of said chapter 60A, as so appearing, is hereby further amended by inserting after the word “to”, in lines 112 and 114, each time it appears, the following words:- or leased to.

SECTION 93. Said section 1 of said chapter 60A, as so appearing, is hereby further amended by inserting after the word “for”, in line 121, the following words:- or leased for.

SECTION 94. Said section 1 of said chapter 60A, as so appearing, is hereby further amended by inserting after the word “registered”, in lines 151 and 156, each time it appears, the following words:- or leased.

SECTION 235. (a) Notwithstanding any general or special law to the contrary, there shall be a special commission to study and report on the inventory tax. The commission shall consist of: 2 members of the house of representatives, 1 of whom shall be appointed by the speaker of the house and 1 of whom shall be appointed by the minority leader of the house; 2 members of the senate, 1 of whom shall be appointed by the senate president and 1 of whom shall be appointed by the minority leader of the senate; 1 representative of the National Federation of Independent Business; 1 representative of the department of revenue; and 1 representative of the Massachusetts Municipal Association, Inc. The members of the commission may elect a member to serve as chair. The scope of the commission shall include, but not be limited to, studying the impact of the inventory tax on the state budget and municipal budgets, the budgetary cost of phasing out or eliminating the inventory tax, the financial and employment impacts on businesses in the commonwealth, a comprehensive review and evaluation of the inventory tax throughout the United States and the results of reforming, phasing out or eliminating the inventory tax throughout the United States. As used in this section, “inventory tax” shall refer collectively to: (i) both the tangible property measure and the net worth measure of the non-income portion of the corporate excise tax as levied by the department of revenue; and (ii) personal property tax as levied by municipalities in the commonwealth.

(b) The commission shall report the results of its investigation and study and its recommendations by filing the same with the clerks of the senate and the house of representatives, the department of revenue and the joint committee on revenue not later than 1 year after the first meeting of the commission is convened.

(c) The commission shall conduct its first meeting not later than 60 days after the effective date of this act.

SECTION 276. Notwithstanding the minimum gross sales required under section 3 of chapter 61A of the General Laws, land not less than 5 acres shall be considered actively devoted to cranberry production during calendar years 2014, 2015, 2016 and 2017 if the use of the land for cranberry production is demonstrated by documenting normal maintenance or improvement practices conducted during that growing season. This section shall only apply to land classified under said chapter 61A in fiscal year 2014.

SECTION 291. Except as otherwise provided, this act shall take effect on July 1, 2014.

Approved (in part) July 15, 2014

CHAPTER 247 - CLASSIFIED LAND TECHNICAL AMENDMENTS

Effective November 4, 2014

Makes several technical or conforming amendments to the classified land statutes, G.L. c. 61 (forest), 61A (agricultural and horticultural) and 61B (recreational) under which property taxes are reduced for property owners who use their land for the applicable purposes. In 2006, those statutes were revised in order to clarify and standardize the basic features of the programs, such as penalty taxes, municipal right of first refusal and application and appeal procedures. St. 2006,

c. 394. However, in some instances, comparable provisions were not revised or other conforming amendments not made.

Section 1 amends G.L. c. 61, § 2 to clarify that the deadline for applying to the assessors for classification under G.L. c. 61, based on a forest management plan certified by the State Forester, is October 1, which is the same as the deadline for G.L. c. 61A and 61B applications. Section 2 adds the same language to G.L. c. 61, § 3 that appears in G.L. c. 61A and 61B relative to assessing and contesting the annual property tax and any penalty taxes. The 2006 revision eliminated the annual products tax and withdrawal penalty tax assessed under G.L. c. 61 and conformed G.L. c. 61 to the other chapters regarding the annual property tax on the land and alternative penalty taxes (conveyance or roll-back) assessed upon a change in use of the land. However, it did not conform the billing and appeal provisions.

Sections 3 and 4 add language exempting acquisitions of classified land by the Commonwealth and non-profit organizations for natural resource purposes from G.L. c. 61 and 61A roll-back taxes. The 2006 revision included that language in the conveyance and roll-back tax provisions of G.L. c. 61B, but only the conveyance tax provisions of G.L. c. 61 and 61A.

Sections 5 and 7 correct drafting errors in the right of first refusal provisions of G.L. c. 61A (§ 14) and 61B (§ 9). They inadvertently contained the reference to “forest certification” found in the comparable G.L. c. 61, § 8.

Sections 6 and 8 correct drafting errors on roll-back taxes and abatement applications in G.L. c. 61B. The 2006 revision provided for a five year look-back for roll-back taxes for all chapters, but it only amended the first reference in G.L. c. 61B, § 8 to the 10 year period that had previously applied to G.L. c. 61B roll-back taxes. In addition, the 2006 revision reduced the abatement application period from 60 to 30 days in G.L. c. 61A, § 19, but did not make the same change in G.L. c. 61B, § 14.

CHAPTER 247 OF THE ACTS OF 2014
An Act Making Corrective Changes in Certain Laws Regarding the Taxation of
Forest, Farm and Recreational Land.

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

SECTION 1. Section 2 of chapter 61 of the General Laws, as appearing in the 2012 Official Edition, is hereby amended by striking out, in lines 36 and 37, the words “prior to” and inserting in place thereof, in each instance, the following words:- not later than.

SECTION 2. Section 3 of said chapter 61, as so appearing, is hereby amended by striking out the third paragraph and inserting in place thereof the following 2 paragraphs:-

For general property tax purposes, the factual details to be shown on the tax list of a board of assessors with respect to land which is valued, assessed and taxed under this chapter shall be the same as those set forth by the assessors with respect to other taxable property in the same city or town and the collector shall notify the person assessed of the amount of the tax in the manner provided in section 3 of chapter 60. For the collection of taxes under this chapter, the collector shall have all the remedies provided by said chapter 60. The assessment, collection,

apportionment and payment over of the roll-back taxes imposed by section 7 shall be governed by the procedures provided for the assessment and taxation of omitted property under section 75 of chapter 59. Such procedures shall apply to each tax year that roll-back taxes may be imposed notwithstanding the limitation in said chapter 59 with respect to the periods that omitted property assessments may be imposed.

Any person aggrieved by an assessment by the board of assessors under this chapter may, within 30 days of the date of notice thereof, apply in writing to the assessors for abatement thereof. Any person aggrieved by the refusal of the assessors to make such an abatement or by the assessor's failure to act upon such an application may appeal to the appellate tax board within 30 days after the date of notice of the assessor's decision or within 3 months of the date of the application, whichever date is later. It shall be a condition of such appeal, with respect to the annual general property tax, that the asserted tax be paid, but no payment shall be required as a condition of such appeal with respect to any asserted conveyance tax or roll-back tax. If a payment of any tax imposed by this chapter should be made and as a result of such abatement by the board of assessors or decision by the appellate tax board, it shall appear that such tax has been overpaid, such excess payment shall be reimbursed by the town treasurer with interest at the rate of 6 per cent per annum from the time of payment. Collection of conveyance or roll-back taxes, by sale or taking or otherwise, may be stayed by the appellate tax board while such an appeal is pending. A partial payment of the asserted tax that may be required by the appellate tax board in connection with such stay shall not exceed 1/2 of the asserted tax.

SECTION 3. The first paragraph of section 7 of said chapter 61, as so appearing, is hereby amended by adding the following sentence:- Notwithstanding this paragraph, no roll-back taxes shall be assessed if the land involved, or a lesser interest in the land, is acquired for a natural resource purpose by the city or town in which it is situated, by the commonwealth or by a nonprofit conservation organization; provided, however, that if any portion of the land is sold or converted to commercial, residential or industrial use within 5 years after acquisition by a nonprofit conservation organization, roll-back taxes shall be assessed against the nonprofit conservation organization in the amount that would have been assessed at the time of acquisition of the subject parcel by the nonprofit conservation organization had the transaction been subject to a roll-back tax.

SECTION 4. The first paragraph of section 13 of chapter 61A of the General Laws, as so appearing, is hereby amended by inserting after the second sentence the following sentence:- Notwithstanding this paragraph, no roll-back taxes shall be assessed if the land involved, or a lesser interest in the land, is acquired for a natural resource purpose by the city or town in which it is situated, by the commonwealth or by a nonprofit conservation organization; provided, however, that if any portion of the land is sold or converted to commercial, residential or industrial use within 5 years after acquisition by a nonprofit conservation organization, roll-back taxes shall be assessed against the nonprofit conservation organization in the amount that would have been assessed at the time of acquisition of the subject parcel by the nonprofit conservation organization had the transaction been subject to a roll-back tax.

SECTION 5. Section 14 of said chapter 61A, as so appearing, is hereby amended by striking out, in line 6, the words "forest certification" and inserting in place thereof the following words:- agricultural or horticultural use.

SECTION 6. Section 8 of chapter 61B of the General Laws, as so appearing, is hereby amended by striking out, in line 26, the word “ten” and inserting in place thereof the following figure:- 5

SECTION 7. Section 9 of said chapter 61B, as so appearing, is hereby amended by striking out, in line 6, the words “forest certification” and inserting in place thereof the following words:- recreational use.

SECTION 8. Section 14 of said chapter 61B, as so appearing, is hereby amended by striking out, in line 9, the word “sixty” and inserting in place thereof the following figure:- 30.

Approved, August 6, 2014.

CHAPTER 259 - DRINKING WATER AND WASTEWATER INFRASTRUCTURE

Effective August 6, 2014

§ 23 Eligibility for Loan Assistance. Amends G.L. c. 29C, § 6, which provides for loan or other financial assistance from the Massachusetts Clean Water Trust (formerly the Massachusetts Water Pollution Abatement Trust) to local governmental units for drinking water and wastewater projects. Under a new subparagraph (h) of the amended G.L. c. 29C, § 6, in order to receive financial assistance for projects after January 1, 2015, communities must establish a water or sewer enterprise fund under G.L. c. 44, § 53F½, or “a separate restricted account that is the equivalent of such fund.” Any such separate restricted funds would have to be authorized under the general laws or a special act. In addition, any community that transfers or uses monies in the fund for non-enterprise purposes will be ineligible for assistance for five years.

§ 26 Municipal Water Infrastructure Investment Fund. Adds a new local acceptance statute, Section 39M, to G.L. c. 40. Cities and towns that accept the statute may impose a water infrastructure surcharge of up to three per cent of the real estate tax on a property and earmark the collections for municipal drinking, wastewater and stormwater infrastructure maintenance, improvements and investments. The surcharge is patterned after the Community Preservation Act (CPA) surcharge imposed to generate funds for open space, historic, recreational land and community housing projects and the new section contains similar provisions to two sections of that Act. See G.L. c. 44B, §§ 3 and 7.

The surcharge will be assessed and billed in the same manner as the community’s real estate taxes and the municipal collector may use the collection remedies for those taxes to collect the surcharge as well. Taxpayers who qualify for certain personal exemptions (seniors of limited means, disabled veterans, surviving spouses, blind persons) are exempt from the surcharge.

All surcharge collections will be deposited into a separate fund, the Municipal Water Infrastructure Investment Fund. Interest earnings will remain with the fund. Fund monies may be appropriated by the municipality’s legislative body to maintain and improve the municipality’s drinking, wastewater and stormwater infrastructure assets.

Acceptance requires a vote of the municipality's legislative body and voters at the next regular municipal or state election. The municipality may amend the surcharge or revoke its acceptance in the same manner. However, it cannot amend the surcharge rate more than once every 12 months. Unlike the CPA (see G.L. c. 44B, §§ 3(f) and 16(b)), the language for the acceptance referendum is not prescribed and no minimum time period is established before the statute can be revoked.

§ 27 Public-Private Partnership Infrastructure Oversight Commission Technical Assistance. Adds a new Section 73 to G.L. c. 44, which governs municipal finance. The provision relates to public-private partnership development projects seeking loans from the Massachusetts Clean Water Trust and allows for technical assistance to be sought on certain projects from the public-private partnership infrastructure oversight commission established by G.L. c. 6C, § 73.

§ 55 Water Management Best Practices. Requires the Massachusetts Clean Water Trust to consult with the Division of Local Services within the DOR and a stakeholder group on developing and publishing guidelines on best practices in water management, including full cost pricing, sound financial management and use and protection of enterprise funds.

CHAPTER 259 OF THE ACTS OF 2014 (EXCERPTS)

An Act Improving Drinking Water and Wastewater Infrastructure.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to provide forthwith for improvements in drinking water and wastewater infrastructure, and is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

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

SECTION 23. Said chapter 29C is hereby further amended by striking out section 6, as so appearing, and inserting in place thereof the following section:-

Section 6. (a) Subject to limitations in other laws respecting the use of particular monies in the fund and any trust agreement for bonds of the trust, the board may also apply and disburse monies and revenues in the fund or segregated accounts therein: (i) after taking account of any grant made by the department under section 33E of chapter 21 to provide, and enter into binding commitments to provide, a subsidy for, or to otherwise assist local governmental units in the payment of, debt service costs on loans and other forms of financial assistance made by the trust; and (ii) to provide reserves for, or to otherwise secure, amounts payable by local governmental units on loans and other forms of financial assistance made by the trust under this chapter.

(b) The board shall apply and disburse monies in the fund and in the Drinking Water Revolving Fund, established under section 18, as applicable, including contract assistance provided in this section, or shall otherwise structure the debt service costs on loans and other forms of financial assistance made by the trust to provide a subsidy or other assistance to local governmental units or other eligible borrowers in the payment of debt service costs on such loans and other forms of financial assistance that shall be the financial equivalent of a loan made at an interest rate equal to 2 per cent. Notwithstanding the foregoing, but subject to the limit on contract assistance provided in this section and the availability thereof after taking into account

committed contract assistance, the board may commit such available contract assistance to provide additional financial assistance to local governmental units or other eligible borrowers that shall be the financial equivalent of a loan made at an interest rate less than 2 per cent and which additional subsidy may include principal forgiveness; provided, that principal forgiveness committed under this section in any year shall not exceed 25 per cent of the total costs of all projects on that year's applicable clean water or drinking water intended use plan; and provided further, that a loan or other form of financial assistance that qualifies for an additional subsidy shall receive such additional subsidy in the amount and at a rate as determined by the board, which shall not exceed the financial equivalent of a 75 per cent subsidy as compared to a market rate loan as calculated at the time of board approval of such loan or other form of financial assistance.

(c) The department of environmental protection shall promulgate regulations, under section 7 establishing the types of eligible projects and criteria that the department shall use to evaluate applications for additional subsidies equivalent to a loan made at an interest rate of less than 2 per cent. The additional subsidies shall be made available to eligible projects appearing on the department's intended use plan the year following the release of regulations by the department and subsequent years. The criteria shall be reflective of: the board's current priorities; best management practices; and sustainability criteria, as determined by the United States Environmental Protection Agency and required by the Water Resources Reform and Development Act of 2014. Notwithstanding the foregoing regulations, all permanent loans and other forms of financial assistance made by the trust, which finance the costs of certain water pollution abatement projects on the department's intended use plan for calendar year 2009 to calendar year 2069, inclusive, and meet the criteria listed below, shall provide for an additional subsidy or other assistance in the payment of debt service such that the loans and other forms of financial assistance shall be the financial equivalent of a loan made at a 0 per cent rate of interest; provided, that the costs of water pollution abatement projects on an intended use plan that are eligible for a permanent loan or other financial assistance from the trust at the financial equivalent of a loan made at a 0 per cent rate of interest shall not exceed 35 per cent of the total costs of all water pollution abatement projects on the intended use plan.

(d) Projects shall be eligible for 0 per cent rate of interest loans if the department verifies that:

- (1) the project is primarily intended to remediate or prevent nutrient enrichment of a surface water body or a source of water supply;
- (2) the applicant is not currently, due to a violation of a nutrient-related total maximum daily load standard or other nutrient based standard, subject to a department enforcement order, administrative consent order or unilateral administrative order, enforcement action by the United States Environmental Protection Agency or subject to a state or federal court order relative to the proposed project;
- (3) the applicant has a Comprehensive Wastewater Management Plan approved by the department of environmental protection or the department of environmental protection determines that the project is consistent with an areawide waste management plan approved under section 208 of the federal Clean Water Act;
- (4) the project has been deemed consistent with the regional water resources management plans, including but not limited to a current areawide water resources management plan adopted under section 208 of the federal Clean Water Act, if such a plan exists; and
- (5) the applicant has adopted land use controls, subject to the review and approval of the department in consultation with the executive office of housing and economic development and, where applicable, any regional land use regulatory entity, intended to

limit wastewater flows to the amount authorized under zoning and wastewater regulations as of the date of the approval of the CWMP.

(e) The department shall promulgate regulations under section 7 establishing the types of eligible projects and criteria that the department shall use to evaluate applications for additional financial assistance, including principal forgiveness and additional financial incentives, consistent with the sustainability criteria as determined by the United States Environmental Protection Agency as required by the Water Resources Reform and Development Act of 2014. The financial assistance and financial incentives provided under these regulations shall be made available to projects appearing in the department's intended use plan the year following the release of regulations by the department and subsequent years. Such criteria may include, the following requirements, any 1 of which shall be sufficient to qualify the project for assistance: (i) the project is pursuant to a regional wastewater management plan that has been adopted by a regional planning agency with regulatory authority; (ii) the project is necessary to connect a local or regional local governmental unit to a facility of the Massachusetts Water Resources Authority, if the local or regional local governmental unit has paid or committed to pay the entry fee of that authority; (iii) the project is a green infrastructure project, as defined in section 26A of chapter 21, with consideration being given to projects that effectively combine green infrastructure with wastewater infrastructure and drinking water infrastructure projects; (iv) the project uses regional water resources to offset, by at least 100 per cent, the impact of water withdrawals on local water resources in the watershed basin of the receiving community; (v) the project is a direct result of a disaster affecting the service area that is the subject of a declaration of emergency by the governor; (vi) the project is intended to provide public water supply to consumers whose groundwater or public or private wells are impacted by contamination; or (vii) the program is an innovative water project utilizing new technology, which improves environmental or treatment quality, reduces cost, increases access and availability of water, conserves water or energy or improves management, in the areas of drinking water, wastewater, stormwater, groundwater or coastal resources; provided, that the project has not been fully implemented, other than as a pilot project, previously in the commonwealth.

(f) To provide the subsidy or assistance the state treasurer, acting on behalf of the commonwealth, shall enter into an agreement with the trust. Under the agreement, the commonwealth shall provide contract assistance for debt service obligations on loans and other forms of financial assistance made by the trust, up to a maximum amount of \$138,000,000 per fiscal year. The agreement shall provide for payments by the commonwealth to the trust at such times during each fiscal year and upon such terms and under such conditions as the trust may stipulate. The trust may pledge such agreement and the rights of the trust to receive amounts thereunder as security for the payment of debt obligations issued to the trust. Such agreement shall constitute a general obligation of the commonwealth, for which the faith and credit of the commonwealth shall be pledged for the benefit of the trust and of the holders of any debt obligations of the trust which may be secured by the pledge of such agreement or of amounts to be received by the trust under such agreement.

(g) Each year, the trust shall commit contract assistance for debt service obligations on loans and other forms of financial assistance made by the trust in an amount that is at least 80 per cent of the limit set forth in subsection (f). If, in any year, the trust is unable to satisfy the 80 per cent threshold, the trust shall file a written report with the office of the state treasurer, the department, the chairs of the house and senate committees on ways and means and the house and senate chairs of the joint committee on the environment, natural resources and agriculture, not later than January 1 of that fiscal year, explaining the reasons why the 80 per cent threshold will not be satisfied in that year.

(h) With respect to projects appearing on the department's intended use plan for calendar year 2016 and subsequent years: (i) the board shall not commit contract assistance to provide for the additional subsidy or other form of financial assistance referred to in subsections (c), (d) or (e) to any local governmental unit unless it has established a sewer enterprise fund or water enterprise fund, as applicable, under section 53F1/2 of chapter 44, or in lieu of the applicable enterprise fund has established a separate restricted account that is the equivalent of such fund; and (ii) any local government unit that transfers or otherwise uses money from its enterprise fund or restricted account for its local governmental operating budget, other than to pay or reimburse, valid expenses or obligations related to such fund or restricted account, will not be eligible to seek new commitments of contract assistance to provide for the additional subsidy or other form of financial assistance referred to in subsections (c), (d) or (e) for a period of 5 years following the date of such transfer or other use; provided however, this clause shall only apply if the disqualifying event occurred after January 1, 2015.

SECTION 26. Chapter 40 of the General Laws is hereby amended by inserting after section 39L the following section:

Section 39M. (a) Notwithstanding chapter 59 or any other general or special law to the contrary, any city or town, which accepts this section in accordance with subsection (f), may impose a water infrastructure surcharge on real property at a rate up to, but not exceeding, 3 per cent of the real estate tax levy against real property, as determined annually by the board of assessors. The amount of the surcharge shall not be included in a calculation of total taxes assessed for purposes of section 21C of said chapter 59.

(b) All exemptions and abatements of real property authorized by said chapter 59, or any other law for which a taxpayer qualifies as eligible, shall not be affected by this section. A taxpayer receiving an exemption of real property under a clause of section 5 of said chapter 59 specifically listed in section 59 of said chapter 59 shall be exempt from any surcharge on real property established under this section. The surcharge to be paid by a taxpayer receiving any other exemption or abatement of tax on real property authorized by said chapter 59 or any other law shall be reduced in proportion to the amount of such exemption or abatement.

(c) Any amount of the surcharge not paid by the due date shall bear interest at the rate per annum provided in section 57 of said chapter 59.

(d) A person claiming an exemption from a surcharge under subsection (b) may apply to the board of assessors, in writing, on a form approved by the commissioner of revenue, on or before December 15 of the year to which the tax relates, or 3 months after the date the bill or notice was sent, whichever is later. Any person aggrieved by a decision of the assessors or by their failure to act upon such application may appeal, as provided in sections 64 to 65B, inclusive, of said chapter 59. Applications for exemption under this section shall be open for inspection only as provided in section 60 of said chapter 59.

(e) Notwithstanding section 53 of chapter 44 or any other general or special law to the contrary, a city or town that accepts this section shall establish a separate account to be known as the Municipal Water Infrastructure Investment Fund. All monies collected from the surcharge, under this section, shall be deposited into said fund. The municipal treasurer shall be the custodian of the fund. The treasurer may invest the monies of the fund in separate accounts in the manner authorized by sections 55 and 55A of said chapter 44. Any interest earned thereon shall be credited to and become part of such separate account. The authority to approve expenditures from the fund shall be limited to the local legislative body and the municipal treasurer shall pay such expenses in accordance with chapter 41. The expenditures of revenues from the fund shall be exclusively used for maintenance, improvements and investments to municipal drinking, wastewater and stormwater infrastructure assets.

(f) This section shall only take effect in a city or town upon the approval of the legislative body and the acceptance of the voters of a city or town on a ballot question at the next regular municipal or state election; provided, however, that this section shall take effect on July 1 of the fiscal year after such acceptance or a later fiscal year as the city or town may designate.

(g) Upon acceptance of this section and upon the assessors' warrant to the tax collector, the accepted surcharge shall be imposed.

(h) After receipt of the warrant, the tax collector shall collect the surcharge in the amount and according to the computation specified in the warrant and shall pay the amounts so collected, quarterly or semi-annually, according to the schedule for collection of property taxes for the tax on real property, to the city's or town's treasurer. The tax collector shall cause appropriate books and accounts to be kept with respect to the surcharge, which shall be subject to public examination upon reasonable request.

(i) The remedies provided by chapter 60 for the collection of taxes upon real estate shall apply to the surcharge on real property pursuant to this section.

(j) A city or town that has accepted this section may revoke its acceptance, or amend the amount of the surcharge, in the manner outlined in subsection (f); provided, however, that it may not amend the applicable surcharge rate more often than once in any 12 month period. Any monies remaining in the fund upon revocation shall be expended in a manner consistent with this section.

SECTION 27. Chapter 44 of the General Laws is hereby amended by adding the following section:-

Section 73. Notwithstanding any general or special law to the contrary, any design and construction services included in a public-private partnership development agreement seeking assistance under chapter 29C may request technical assistance from the public-private partnership infrastructure oversight commission, established by section 73 of chapter 6C, on all requests for proposals for design-build-finance-operate-maintain or design-build-operate-maintain services.

SECTION 55. Notwithstanding any general or special law to the contrary, in order to assist communities in complying with applicable federal regulations, within 1 year after the release of sustainability criteria as determined by the United States Environmental Protection Agency, as required by the 2014 reauthorization of the Clean Water Resources Reform and Development Act, the board of the Massachusetts Clean Water Trust established in chapter 29C of the General Laws, in consultation with the division of local services within the department of revenue, established in section 1 of chapter 14 of the General Laws, and with input from a stakeholder group, including representatives of municipal and district drinking water, wastewater and stormwater systems, financial managers of such systems and environmental organizations, shall establish and publish guidelines for best management practices in water management. These guidelines shall include, but not be limited to, the practice of full cost pricing, including which direct and indirect costs shall be included in full cost pricing, sound financial management, the use and protection of enterprise funds, the coordination of intra-municipal and intermunicipal projects involving inter-related infrastructure to reduce project costs, the adoption of an asset management plan and a plan for leak mitigation. The demonstration of adoption of these best management practices shall be considered favorably in decisions about wastewater and drinking water project funding made under that chapter.

Approved, August 5, 2014.

CHAPTER 287 - ECONOMIC DEVELOPMENT

Effective August 13, 2014

§§ 9-25, and 37 Economic Development Exemptions. Amend G.L. c. 23A, §§ 3A-3F and c. 40, § 59, which relate to state tax credits and local tax exemptions available to businesses for certain types of economic development projects eligible to be certified by the Economic Assistance Coordinating Council (EACC) under the Economic Development Incentive Program (EDIP). As part of the EDIP, municipalities may provide either a tax increment financing (TIF) exemption under G.L. c. 40, § 59 or a special tax assessment (STA) under G.L. c. 23A, § 3F. The amendments create a new category of certified project, the “jobs creation” project, which is for companies that commit to creating jobs and meeting other economic development goals but are not making a significant investment in the construction or expansion of the facility where the jobs will be located. In addition, other types of certified projects will no longer have to be located with an Economic Target Area (ETA) or and Economic Opportunity Area (EOA) within an ETA to be eligible for state and local tax incentives. A municipality may now offer companies proposing economic development projects a STA even if the projects are not eligible for certification by the EACC and a TIF exemption without having to develop a TIF zone and plan.

CHAPTER 287 OF THE ACTS OF 2014 (EXCERPTS) An Act Promoting Economic Growth Across the Commonwealth.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to strengthen and promote forthwith economic growth across the commonwealth, therefore, it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

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

SECTION 9. Section 3A of chapter 23A of the General Laws, as appearing in the 2012 Official Edition, is hereby further amended by striking out the definition of "Certified project" and inserting in place thereof the following definition:-

“Certified project”, an expansion project, enhanced expansion project, job creation project or manufacturing retention project approved by the economic assistance coordinating council for participation in the economic development incentive program pursuant to section 3F.

SECTION 10. Said section 3A of said chapter 23A, as so appearing, is hereby further amended by striking out the definition of "Economic development incentive program" and inserting in place thereof the following 2 definitions:-

“Economic benefit”, an award of any tax credit approved under this chapter, any tax increment financing approved under section 3F of this chapter or section 59 of chapter 40 or a special tax assessment approved under said section 3F.

“Economic development incentive program” or “EDIP”, a program designed to promote increased business development and expansion to be administered by the EACC.

SECTION 11. Said section 3A of said chapter 23A, as so appearing, is hereby further amended by striking out the definition of “Enhanced expansion project” and inserting in place thereof the following definition:-

“Enhanced expansion project”, a facility that, in its entirety and as of the project proposal date: (i) is located or shall be located within the commonwealth; (ii) generates substantial sales from outside of the commonwealth; and (iii) generates a net increase of at least 100 full-time employees within 2 years after project certification and which shall be maintained for not less than 5 years; provided, however, that in the case of a facility that as of the project proposal date is already located in the commonwealth, “enhanced expansion project” shall refer only to a facility at which the controlling business has expanded or proposed to expand the number of permanent full-time employees at such facility and the expansion shall: (1) represent an increase in the number of permanent full-time employees employed by the controlling business within the commonwealth; and (2) not be a replacement or relocation of permanent full-time employees employed by the controlling business at any other facility located within the commonwealth; provided further, that in the case of a facility to be located within the commonwealth after the project proposal date, “enhanced expansion project” shall refer only to a facility that is: (a) the first facility of the controlling business to be located within the commonwealth; (b) a new facility of such controlling business and not a replacement or relocation of an existing facility of such controlling business located within the commonwealth; or (c) an expansion of an existing facility of the controlling business that results in an increase in the number of permanent full-time employees.

SECTION 12. Said section 3A of said chapter 23A, as so appearing, is hereby further amended by striking out the definitions of “Expansion project”, “Expansion project EOA”, “Expansion project ETA” and “Expansion project proposal” and inserting in place thereof the following 2 definitions:-

“Expansion project”, a facility that, in its entirety and as of the project proposal date: (i) generates substantial sales from outside of the commonwealth; and (ii) generates a net increase of full-time employees within 2 years after project certification, and which shall be maintained for a period of not less than 5 years; provided, however, that in the case of a facility that as of the project proposal date is already in existence, “expansion project” shall refer only to a facility at which the controlling business has proposed to expand the number of permanent full-time employees at such facility to occur after the project proposal date and the expansion shall: (1) represent an increase in the number of permanent full-time employees employed by the controlling business within the commonwealth; and (2) not be a replacement or relocation of permanent full-time employees employed by the controlling business at any other facility located within the commonwealth; and provided further, that in the case of a facility to be constructed or relocated after the project proposal date, “expansion project” shall refer only to a facility which is: (a) the first facility of the controlling business to be located within the commonwealth; (b) a new facility of such business and not a replacement or relocation of an existing facility of such controlling business located within the commonwealth; or (c) an expansion of an existing facility of the controlling business that results in an increase in permanent full-time employees.

“Expansion project proposal”, a proposal submitted by a controlling business to the EACC pursuant to section 3F for designation of a project as a certified expansion project if: (i) the proposal has been submitted in a timely manner, in such form and with such information as is prescribed by the EACC, supported by independently verifiable information and signed under the penalties of perjury by a person authorized to bind the controlling business; (ii) the proposal includes specific targets by year for the subsequent 5-calendar-year period relative to the projected increase in the number of permanent full-time employees of the controlling business to

be employed by and at the project from among residents of the commonwealth; provided, however, that in the case of a project that is already in existence as of the project proposal date, such projected increase shall not be less than 25 per cent over the subsequent 5-year period; and (iii) in the case of a project that is a new facility within the meaning of clause (b) of the definition of expansion project, the proposal includes the number of permanent full-time employees employed by the controlling business at other facilities located in the commonwealth.

SECTION 13. Said section 3A of said chapter 23A, as so appearing, is hereby further amended by inserting after the definition of "Gateway municipality" the following 2 definitions:-

"Job creation project", a project or investment by a controlling business that: (i) is located or shall be located within the commonwealth; (ii) generates substantial sales from outside of the commonwealth; (iii) does not involve a significant investment in the construction or expansion of an existing facility or otherwise result in an increase in the value of the real property where new jobs shall be located; and (iv) generates a net increase of at least 100 permanent full-time employees within 2 years after project certification and which shall be maintained for a period of not less than 5 years; provided, however, that in the case of a facility that as of the project proposal date is already located in the commonwealth, "job creation project" shall refer only to a facility at which the controlling business has expanded or proposed to expand the number of permanent full-time employees at such facility and the expansion shall: (1) represent an increase in the number of permanent full-time employees employed by the controlling business within the commonwealth; and (2) not be a replacement or relocation of permanent full-time employees employed by the controlling business at any other facility located within the commonwealth; provided further, that in the case of a facility to be located within the commonwealth after the project proposal date, "job creation project" shall refer only to a facility that is: (a) the first facility of the controlling business to be located within the commonwealth; (b) a new facility of such business and not a replacement or relocation of an existing facility of such controlling business located within the commonwealth; or (c) an expansion of an existing facility of the controlling business that results in an increase in permanent full-time employees.

"Job creation project proposal", a proposal submitted by a controlling business to the EACC pursuant to section 3F for designation of a project as an job creation certified project if: (i) the proposal has been submitted in a timely manner, in such form and with such information as is prescribed by the EACC, supported by independently verifiable information and signed under the penalties of perjury by a person authorized to bind the controlling business; (ii) the proposal includes specific targets by year for the subsequent 5 calendar year period relative to the projected increase in the number of permanent full-time employees of the controlling business to be employed by and at the project from among residents of the commonwealth; provided, however, that in the case of a project that is a new facility within the meaning of clause (b) of the definition of job creation project, such proposal includes the number of permanent full-time employees employed by the controlling business at other facilities located in the commonwealth.

SECTION 14. Said section 3A of said chapter 23A, as so appearing, is hereby further amended by inserting after the definition of "Municipal application" the following definition:-

"Municipal project endorsement", the endorsement by the municipalities in which a proposed project shall be located pursuant to clause (ii) of paragraph (1) of subsection (a) of section 3F.

SECTION 15. Said section 3A of said chapter 23A, as so appearing, is hereby further amended by striking out the definitions of “Project” and “Project proposal” inserting in place thereof the following 2 definitions:-

“Project”, an expansion project, an enhanced expansion project, a job creation project or a manufacturing retention project.

“Project proposal”, a proposal submitted by a controlling business to the EACC pursuant to section 3F for designation as a certified expansion project, an enhanced expansion project, a job creation project or a manufacturing retention project.

SECTION 16. Said section 3A of said chapter 23A, as so appearing, is hereby further amended by adding the following 2 definitions:-

“Special tax assessment”, a binding agreement between a municipality and a controlling business consistent with the requirements of subsection (g) of section 3F.

“Tax increment financing agreement”, a binding agreement between a municipality and a controlling business consistent with the requirements of subsection (6) of section 3F of this section and section 59 of chapter 40.

SECTION 17. Said chapter 23A is hereby further amended by striking out section 3B, as so appearing, and inserting in place thereof the following section:-

Section 3B. There shall be an economic assistance coordinating council, established within MOBD to consist of: the director of the office of business development or a designee who shall serve as co-chairperson, the director of housing and community development or a designee who shall serve as co-chairperson, the director of career services or a designee, the secretary of labor and workforce development or a designee, 2 persons from MOBD as designated by the director of the office of business development, the president of the Commonwealth Corporation or a designee, and 7 persons to be appointed by the governor, 1 of whom shall be from the western region of the commonwealth, 1 of whom shall be from the central region of the commonwealth, 1 of whom shall be from the eastern region of the commonwealth, 1 of whom shall be from the southeastern region of the commonwealth, 1 of whom shall be from Cape Cod or the Islands, 1 of whom shall be a representative of a higher educational institution within the commonwealth and 1 of whom shall be from the Merrimack valley, all of whom shall have expertise in issues pertaining to training, business relocation and inner-city and rural development, and all of whom shall be knowledgeable in public policy and international and state economic and industrial trends. Each member appointed by the governor shall serve at the pleasure of the governor. The council shall adopt by-laws to govern its affairs.

SECTION 18. Subsection (1) of section 3C of said chapter 23A, as so appearing, is hereby amended by striking out clauses (d) to (h), inclusive, and inserting in place thereof the following 4 clauses:-

(d) certify and approve tax increment financing agreements and special tax assessments pursuant to section 3F and clause (vii) of section 59 of chapter 40.

(e) assist municipalities in obtaining state and federal resources and assistance for certified projects and other job creation and retention opportunities within the commonwealth;

(f) provide appropriate coordination with other state programs, agencies, authorities and public instrumentalities to enable certified projects and other job creation and retention opportunities to be more effectively promoted by the commonwealth; and

(g) monitor the implementation and operation of the economic development incentive program.

SECTION 19. Section 3D of said chapter 23A, as so appearing, is hereby amended by striking out, in line 1, the word “The” and inserting in place thereof the following word:- (1) The.

SECTION 20. Said section 3D of said chapter 23A, as so appearing, is hereby further amended by adding the following subsection:-

(2) The EACC may amend the boundaries of an ETA to address situations in which a commercial or industrial facility that is a prospective certified expansion project candidate is located within the boundaries of 2 or more municipalities with at least 1 of the municipalities in an existing ETA. Under such circumstances, if all of the municipalities involved wish to certify the proposed project, the boundaries of the ETA may deviate from census tract boundaries to include any parcels occupied by the commercial or industrial facility. The EACC may consider such an application for amending the boundaries of an ETA if:

(a) inclusion of the facility and underlying parcels in the pre-existing contiguous ETA does not alter the eligibility of the ETA as determined pursuant to subclause (ii) of clause (a) of subsection (1);

(b) evidence that the commercial or industrial facility is physically located in 2 or more municipalities can be provided;

(c) the amended ETA application is jointly filed by the municipalities in which the facility and parcels are located and the EACC approves the amended ETA application; and

(d) the filing municipalities represent in their joint application that a certified project application shall be submitted to the EACC within a reasonable period of time for the project proposing to occupy the facility and parcels.

SECTION 21. Section 3E of said chapter 23A, as so appearing, is hereby amended by inserting after the word “designation”, in line 58, the following words:- , if applicable.

SECTION 22. Said section 3E of said chapter 23A, as so appearing, is hereby further amended by striking out paragraph (3) and inserting in place thereof the following paragraph:-

(3) receipt with the municipal application of a binding written offer from the municipality, subject only to acceptance by the EACC through designation of the area proposed therefor, in the municipal application as an EOA, to provide to certified projects within the project EOA and pursuant to section 59 of chapter 40 either tax increment financing or a special tax assessment consistent with subsection (f) or (g) of section 3F.

SECTION 23. Clause (d) of paragraph (4) of said section 3E of said chapter 23A, as so appearing, is hereby amended by striking out the second paragraph and inserting in place thereof the following paragraph:-

An EOA shall retain its designation for at least 5 years and not more than 20 years from the date it is so designated, as determined by the EACC, unless such designation is revoked prior to the expiration of the specified period; provided, however, that the EACC shall not specify a duration in excess of that requested in the municipal application. Only the EACC may revoke the designation of an EOA and only upon the following grounds: (a) upon the petition of the municipality which requested the designation which petition satisfies the authorization requirements for a municipal application and which petition shall be granted as a matter of course; or (b) if the EACC determines, based on its own investigation, that plans and commitments incorporated with the municipal application for such designation are materially at variance with the conduct of the municipality subsequent to the designation and such variance is found to frustrate the public purpose which such designation was intended to advance. Any such

revocation of an EOA designation shall only be applied prospectively to deny certification to any projects located or to be located in such EOA and not certified prior to such revocation and shall not apply to, nor revoke any benefits due to or which may become due to, any certified project already in existence in the EOA including, but not limited to, any benefits included in any plans and commitments incorporated with the municipal application for such designation; provided, however, that in no event shall a certified project receive any benefits arising from its status as a certified project for a period of longer than that specified by the EACC in its certification designation, including any renewals thereof, or 20 years, whichever period is of shorter duration. No designation of an area as an EOA shall be renewed or extended except pursuant to paragraphs (1) to (4), inclusive.

SECTION 24. Said section 3E of said chapter 23A, as so appearing, is hereby further amended by adding the following paragraph:-

(6) Upon application from a city or town, the EACC may from time to time designate any area of a city or town as an area presenting exceptional opportunities for increased economic development. In making such designation, the EACC shall consider whether there is a strong likelihood that any of the following will occur within the area in question within a specific and reasonably proximate period of time:

- (i) a significant influx or growth in business activity;
- (ii) the creation of a significant number of new jobs and not merely a replacement or relocation of current jobs within the commonwealth; or
- (iii) a private project or investment that will contribute significantly to the resiliency of the local economy.

SECTION 25. Said chapter 23A is hereby further amended by striking out section 3F, as so appearing, and inserting in place thereof the following section:-

Section 3F. (a)(1) The EACC may from time to time designate a project as a certified expansion project, a certified enhanced expansion project, a certified job creation project or a certified manufacturing retention project and take all actions necessary or appropriate thereto, upon:

- (i) receipt of a project proposal therefor requesting such designation from the controlling business;
- (ii) receipt of a municipal project endorsement which shall include the following findings based on the information submitted with the project proposal and such additional investigation as the municipality shall make:
 - (A) the project proposal complies with the definition of a project proposal set forth in section 3A;
 - (B) in the case of an expansion project proposal, the expansion project is consistent with and can reasonably be expected to benefit from the municipality's plans relative to the project EOA, if applicable;
 - (C) together with all other projects previously certified and located in the same municipality, will not overburden the municipality's supporting resources including, but not limited to, those set forth in clause (f) of paragraph (2) of section 3E;
 - (D) the project proposal includes a workable plan, with precise goals and objectives, by which the controlling business proposes to realize the increased employment objectives for the project and the business' plan to employ aggressive affirmative action goals, objectives and identification and recruitment techniques and, in the case of an expansion project, the plan for increased employment from among residents of the expansion project ETA, if applicable;

(E) the project proposal contains documentation regarding an agreement, if any, between the controlling business and area banking institutions by which the controlling business agrees to establish accounts in those banks and those banks agree to commit a specified percentage of the funds deposited in the accounts for loans made to businesses located within the expansion project area pursuant to the small business capital access program established pursuant to section 57 of chapter 23A; (F) the project as described in the proposal, together with the municipal resources committed to the project, will, if certified, have a reasonable chance of increasing or retaining employment opportunities as advanced in the proposal; and (G) in the case of an expansion project, any municipality in which the expansion project is located or shall be located has offered to enter into a tax increment financing agreement meeting the requirements of subsection (f) or (g) or to provide a special tax assessment meeting the requirements of said subsection (g);

(iii) receipt with the municipal project endorsement of a request by the municipality for a designation of the project as a certified project for a specified number of years which shall be not less than 5 years nor more than 20 years; and

(iv) the following findings are made by the EACC, based on the project proposal, documents submitted therewith, the municipal project endorsement, and such additional investigation as the EACC shall make and incorporate in its minutes, that:

(A) the project proposal complies with the definition of a project proposal set forth in section 3A, with all other applicable statutory requirements and with such other criteria that EACC may prescribe; and

(B) the project as described in the proposal, and as further described in the written determination of the municipality made pursuant to clause (ii) will, if certified, have a reasonable chance of increasing or retaining employment opportunities for residents of the ETA or municipality, as applicable; and

(2) Notwithstanding sections 3 to 3H, inclusive, no certified expansion project shall be required to be located within an ETA or an EOA; provided, however, that an expansion project proposal shall be accompanied by a municipal project endorsement that meets the requirements of clause (ii) of subsection (a).

(b) A certified project shall retain its certification for the period specified by the EACC in its certification decision; provided, however, that such specified period shall be not less than 5 years from the date of certification nor more than: (i) 20 years from such date; or (ii) the number of years requested by the municipality approving the project proposal, whichever is lesser, unless such certification is revoked prior to the expiration of the specified period. The certification of a project shall be revoked only by the EACC and only upon: (1) the petition of the municipality that approved the project proposal, if applicable, if the petition satisfies the authorization requirements for a municipal application or the petition of the director of economic development; and (2) the independent investigation and determination of the EACC that representations made by the controlling business in its project proposal are materially at variance with the conduct of the controlling business subsequent to the certification and such variance is found to frustrate the public purpose that such certification was intended to advance; provided, however, that for an expansion project where the actual number of permanent full-time employees employed by the controlling business at the project is less than 50 per cent of the number of such permanent full-time employees projected in the project proposal, this shall be deemed a material variance for the purpose of a revocation determination. Upon such a revocation, all tax credits available to the controlling business as a result of project certification shall be revoked and forfeited for the year in which revocation occurred and all subsequent years, and the commonwealth, and the municipality, in the case of a certified expansion project, shall have causes of action against the

controlling business for the value of any economic benefit received by the controlling business prior or subsequent to such revocation.

Revocation shall take effect on the first day of the tax year in which the material variance occurred, as determined by the EACC.

The revocation of a project certification shall not revoke any benefits due to the project that relate to years prior to the year in which the revocation determination has been made unless the controlling business has not proceeded with the certified project or unless EACC determines that the controlling business made a material misrepresentation in its project proposal, or failed to act in good faith to create and maintain the jobs described in its project proposal. In any such case, both the commonwealth and the municipality shall have causes of action against the controlling business for the value of any economic benefits received subsequent to the date on which the material misrepresentation was made. The commissioner of revenue may, consistent with this paragraph, disallow or recapture any credits, exemptions or other tax benefits allowed by the original certification under this section. The department of revenue shall issue regulations to recapture the value of any credits, exemptions or other tax benefits allowed by the certification under this section.

Annually, not later than the first Wednesday in December, the EACC shall file a report detailing its findings of the review of all certified projects that it evaluated in the prior fiscal year to the commissioner of revenue, to the senate and house chairs of the joint committee on revenue and the senate and house chairs of the joint committee on economic development and emerging technologies.

(c) The EACC shall evaluate and either grant or deny a project proposal within 90 days after its project proposal date and failure to do so by the EACC shall result in approval of the project for a term of 5 years. Approval of a project under this section shall not constitute an approval by the EACC of any tax incentives provided for under chapters 62 and 63.

(d) The EACC may award to a certified project tax credits available under subsection (g) of section 6 of chapter 62 and section 38N of chapter 63. The amount and duration of any such credits awarded shall be based on the following factors:

(i) for expansion projects:

(A) the degree to which the project is expected to generate net new economic activity within the commonwealth by generating substantial sales from outside of the commonwealth, or otherwise;

(B) the degree to which the project is expected to increase employment opportunities for residents of the project ETA, if applicable, and of the commonwealth; and

(C) the economic need of the project ETA as measured by the income and employment levels of the ETA, if applicable;

(ii) for enhanced expansion projects:

(A) the degree to which the project is expected to generate net economic activity within the commonwealth by generating substantial sales from outside of the commonwealth, or otherwise; and

(B) the degree to which the project is expected to increase employment opportunities for residents of the commonwealth;

(iii) for manufacturing retention projects:

(A) the degree to which the project is expected to generate economic activity within the commonwealth by generating substantial sales from outside of the commonwealth, or otherwise; and

(B) the degree to which the project is expected to retain or increase manufacturing employment opportunities for residents in the project gateway municipality and the commonwealth.

(iv) for job creation projects:

(A) the degree to which the project is expected to generate net economic activity within the commonwealth by generating substantial sales from outside of the commonwealth, or otherwise;

(B) the degree to which the project is expected to increase employment opportunities for residents of the commonwealth; and

(C) the degree to which the project qualifies for certification as an expansion project, an enhanced expansion project or a manufacturing retention project, with the expectation that the EACC will certify a proposed project as a job creation project only if the proposed project does not otherwise qualify for certification.

(e) The EACC may limit any incentive or credit available to a project pursuant to subsection (g) of section 6 of chapter 62 and section 38N of chapter 63 to a specific dollar amount or time duration or in any other manner deemed appropriate by EACC, including limits or restrictions on the right of the controlling business to carry unused credits forward to future tax years.

(f) If a municipal project endorsement includes an offer by a municipality to provide the certified project with tax increment financing, said binding written offer shall contain a tax increment financing agreement adopted in accordance with section 59 of chapter 40. The EACC may approve such tax increment financing plan pursuant to regulations adopted by the EACC. Any such approval shall include a finding, reflected in the EACC's minutes, that the tax increment financing plan complies with said section 59 of chapter 40 and will further the public purpose of encouraging increased industrial and commercial activity in the commonwealth.

(g)(1) If a municipal project endorsement includes an offer by the municipality to provide the certified project with a special tax assessment, the municipal project endorsement shall include a binding written offer setting forth the following assessment schedule for each parcel of real property in and on which is located and which is otherwise a part of a certified project:

(i) in the first year, an assessment of 0 per cent of the actual assessed valuation of the parcel; provided, however, that such assessment shall be granted for the year designated in the binding written offer;

(ii) in the second year, an assessment of up to 25 per cent of the actual assessed valuation of the parcel;

(iii) in the third year, an assessment of up to 50 per cent of the actual assessed valuation of the parcel;

(iv) in the fourth year, an assessment of up to 75 per cent of the actual assessed valuation of the parcel; and

(v) in subsequent years, assessment of up to 100 per cent of the actual assessed valuation of the parcel.

(2) For the purposes of this subsection, the "municipality's fiscal year" shall refer to a period of 365 days beginning, in the first instance, with the calendar year in which the assessed property is purchased or acquired by the controlling business or the calendar year in which the assessed property becomes part of a certified project, whichever last occurs; provided, however, that no such written offer from a municipality shall be considered to be binding as aforesaid until it is authorized.

(3) Notwithstanding any provision of this section to the contrary, a municipality may offer a special tax assessment to a controlling business without a certified project if: (i) the municipality makes a formal determination that the controlling business is making an investment that will contribute to economic revitalization of the municipality and will significantly increase employment opportunities for residents of the municipality; (ii) the municipality applies to the EACC for approval of the special tax assessment; and (iii) the EACC makes a formal finding,

based on information presented by the municipality and incorporated into its minutes, that the special tax assessment is reasonably necessary to enable the controlling business's investment and will further the public purpose of encouraging increased industrial and commercial activity in the commonwealth.

SECTION 37. Chapter 40 of the General Laws is hereby amended by striking out section 59, as so appearing, and inserting in place thereof the following section:-

Section 59. Notwithstanding any general or special law to the contrary, any city or town by vote of its town meeting, town council, or city council with the approval of the mayor where required by law, on its own behalf or in conjunction with one or more cities or towns, and pursuant to regulations issued by the economic assistance coordinating council established under section 3B of chapter 23A, may adopt and execute a tax increment financing agreement hereinafter referred to as a TIF agreement, and do any and all things necessary thereto; provided, however, that the TIF agreement:

(i) includes a description of the parcels to be included in the agreement; provided, however, that the parcels are wholly within an economic target area or an area presenting exceptional opportunities for increased economic development, as defined by section 3D of chapter 23A and as may be defined further by regulations adopted by the economic assistance coordinating council; provided, further, that in the case of a TIF area that includes parcels located in one or more city or towns, the areas included in the TIF agreement shall be contiguous areas of such cities or towns;

(ii) describes in detail all construction and construction-related activity, public and private, contemplated for such TIF agreement as of the date of adoption of the TIF agreement; provided, however, that in the case of public construction as aforesaid, the TIF agreement shall include a detailed projection of the costs thereof and a betterment schedule for the defrayal of such costs; provided, further, that the TIF agreement shall provide that no costs of such public constructions shall be recovered through betterments or special assessments imposed on any party which has not executed an agreement in accordance with the provisions of clause (v); and provided, further, that in the case of private construction as aforesaid, the TIF agreement shall include the types of industrial and commercial developments which are projected to occur within such TIF area, with documentary evidence of the level of commitment therefore, including but not limited to architectural plans and specifications as required by said regulations;

(iii) authorizes tax increment exemptions from property taxes, under clause 51 of section 5 of chapter 59, for a specified term not to exceed 20 years, for any parcel of real property which is included in a TIF agreement; provided, however, that the TIF agreement shall specify the level of the exemptions expressed as exemption percentages, not to exceed 100 per cent to be used in calculating the exemptions for the parcel, and for personal property situated on that parcel, as provided under said clause 51 of said section 5 of said chapter 59; provided, further, that the exemption for each parcel of real property shall be calculated using an adjustment factor for each fiscal year of the specified term equal to the product of the inflation factors for each fiscal year since the parcel first became eligible for an exemption under this clause; provided, further that the inflation factor for each fiscal year shall be a ratio;

(a) the numerator of which shall be the total assessed value of all parcels of commercial and industrial real estate that are assessed at full and fair cash value for the current fiscal year minus the new growth adjustment for the current fiscal year attributable to the commercial and industrial real estate as determined by the commissioner of revenue under subsection (f) of section 21C of chapter 59; and

(b) the denominator of which shall be the total assessed value for the preceding fiscal year of all the parcels included in the numerator; provided, however, that the ratio shall not be less than 1;

(iv) establishes a maximum percentage of the costs of any public construction, referenced in clause (ii) and initiated subsequent to the adoption of the TIF agreement, that can be recovered through betterments or special assessments against any parcel of real property eligible for tax increment exemptions from property taxes pursuant to clause (iii) during the period of such parcel's eligibility for exemption from annual property taxes pursuant to clause 51 of section 5 of chapter 59, notwithstanding the provisions of chapter 80 or any other general or special law authorizing the imposition of betterments or special assessments;

(v) includes: (a) all material representations of the parties which served as the basis for the descriptions contained in the TIF agreement in accordance with the provisions of clause (ii); (b) a detailed recitation of the tax increment exemptions and the maximum percentage of the cost of public improvements that can be recovered through betterments or special assessments regarding such parcel of real property pursuant to clauses (iii) and (iv); (c) a detailed recitation of all other benefits and responsibilities inuring to and assumed by the parties to such agreement; and (d) a provision that such agreement shall be binding upon subsequent owners of such parcel of real property;

(vi) delegates to one board, agency or officer of the city or town the authority to execute the agreement in accordance with the provisions of clause (v);

(vii) is certified as an approved TIF agreement by the economic assistance coordinating council pursuant to section 3F of chapter 23A and regulations adopted by said council; provided, however, that the economic assistance coordinating council shall certify in its vote that the TIF agreement is consistent with the requirements of this section and section 3F of chapter 23A, and will further the public purpose of encouraging increased industrial and commercial activity in the commonwealth;

(viii) requires of an owner of a parcel pursuant to clause (v) to submit to the city or town clerk and the economic assistance coordinating council a report detailing the status of the construction laid out in the agreement; the current value of the property; and the number of jobs created to date as a result of the agreement; provided, however, that a report shall be filed every two years for the term of the tax increment exemption allowed under clause 51 of section 5 of chapter 59; and provided further, that a final report shall be filed in the final year of the exemption.

The board, agency or officer of the city or town authorized pursuant to clause (vi) to execute agreements shall forward to the board of assessors a copy of each approved TIF agreement, together with a list of the parcels included therein.

PROPOSED LEGISLATION 2013-2014 SESSION

S. 2298 TAX TITLE REVOLVING FUNDS

This bill adds a new local acceptance section 15B to G.L. c. 60, which governs the collection of local taxes. If accepted, cities and towns will be able to establish one or more tax title revolving funds for the tax collector, treasurer or treasurer-collector. The funds can be established by bylaw, ordinance or vote of annual town meeting or other legislative body, upon recommendation of the selectboard, mayor, manager or other chief executive officer. The funds will be credited with certain collection fees, charges and costs incurred by the collector or treasurer and collected upon redemption of tax titles and sales of real property acquired through foreclosures of tax titles. Monies in the fund may then be spent, without appropriation, by the collector to pay out of pocket expenses associated with making a tax taking and by the treasurer to pay tax title foreclosure out of pocket expenses. The purpose is to assist collectors and treasurers who often lack adequate expense budgets to secure the municipality's liens for delinquent real estate tax receivables and foreclose tax titles after reasonable efforts to work with taxpayers on payment of amounts outstanding.

S. 2298

An Act Establishing a Tax Title Collection Revolving Fund.

Whereas, the deferred operation of this act would tend to defeat its purpose, which is to provide forthwith for a tax title collection revolving funds in cities and towns, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

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

Chapter 60 of the Chapter 60 of the General Laws is hereby amended by inserting after section 15 the following section:

Section 15B. (a) Notwithstanding sections 53 and 55 of chapter 44, a city or town which accepts this section may establish a tax title collection revolving fund for 1 or more of the following officers: tax collector, treasurer and treasurer-collector. Such tax title collection revolving fund shall be accounted for separately from all other monies in the city or town and to which shall be credited any fees, charges and costs incurred by such officer under sections 15, 55, 62, 65, 68 or 79 and collected upon the redemption of tax titles and sales of real property acquired through foreclosures of tax titles. Expenditures may be made from such revolving fund without further appropriation, subject to this section; provided, however, that expenditures shall not be made or liabilities incurred from this revolving fund in excess of the balance of the fund nor in excess of the total authorized expenditures from this fund, nor shall any expenditures be made unless approved in accordance with sections 52 and 56 of chapter 41.

(b) Interest earned on a tax title collection revolving fund balance shall be treated as general fund revenue of the city or town. Expenditures from a tax title collection revolving fund authorized for the tax collector, treasurer or treasurer-collector shall be spent to pay expenses incurred by such officer under this chapter in connection with a tax taking or tax title foreclosure, including, but not limited to, fees and costs of recording or filing documents and instruments, searching and examining titles, mailing, publishing or advertising notices or documents, petitioning the land court, serving court filings and documents and paying legal fees.

(c) A tax title collection revolving fund for the tax collector, treasurer or treasurer-collector may be established under this section by by-law, ordinance or vote of the annual town meeting in a town, upon recommendation of the board of selectmen, and by vote of the city council in a city, upon recommendation of the mayor or city manager in Plan E cities and in any other city or town by vote of the legislative body upon the recommendation of the chief administrative or executive officer. Such authorization shall be made not later than the beginning of the fiscal year in which fund shall begin.

(d) The officer having charge of such tax title collection revolving fund shall annually report to the board of selectmen, the mayor of a city or city manager in a Plan E city or in any other city or town to the chief administrative or executive officer, the total amount of receipts and expenditures for the tax title collection revolving fund under its control for the prior fiscal year, by the date the by-law, ordinance or vote prescribes, together with other information as such by-law, ordinance or vote requires.

(e) Upon revocation of this section, or termination of any fund, the balance in the fund at the end of that fiscal year shall revert to surplus revenue.

The director of accounts may issue guidelines further regulating a tax title collection revolving fund established under this section.

AGENCY DECISIONS OR ADVISORIES

Restatement of Economic Assistance Coordinating Council Policy 2013-3 **Policy on the Termination and Extension of Local Tax Incentives after Revocation of Project Certification** **Originally approved May 23, 2013; Amended and made effective on June 24, 2014**

This policy clarifies the circumstances in which the EACC's revocation of certification of a project will result in the termination of a Tax Increment Financing agreement (TIF agreement) between a host municipality and the private owner of the decertified project.

Policy on TIF Agreement Termination

The EACC's revocation of a Certified Project's certification will result in the termination of a TIF agreement applicable to the decertified project if:

- (1) The terms of the TIF agreement expressly provide for termination of the agreement upon the revocation of the project certification; *or*
- (2) As a result of the revocation, the project no longer fulfills the terms and conditions of the municipal action authorizing the host community to enter into the TIF agreement; *or*
- (3) The EACC determines that, as a result of the revocation, the municipal TIF plan no longer will further the public purpose of encouraging increased industrial and commercial activity in the commonwealth.

A TIF agreement will remain in place after the EACC revokes a project's certification, if the TIF agreement does not expressly provide for its termination upon the revocation of the project certification, *and* the continuation of the TIF agreement is consistent with the original municipal authorization, *and* the EACC determines that the municipal TIF plan will continue to encourage increased industrial and commercial activity in the commonwealth notwithstanding the EACC's revocation of project certification.

Amendment of TIF Agreements

If in accordance with this policy a TIF agreement will terminate as a result of the EACC's revocation of project certification, the host municipality may permit the continuation of the tax increment financing by amending the TIF agreement to change the economic development goals of the project. In such a case, the host community should (1) notify the EACC that it will amend the TIF agreement; (2) duly authorize the amendment, including a vote of town meeting, town council, or city council with the approval of the mayor, as required by law; and (3) submit the fully executed amendment to the EACC for approval by the EACC. The EACC shall allow the host municipality to levy taxes on the de-certified project in accordance with the original TIF agreement until the date of the EACC's approval of the amended TIF agreement, but not for more than one year after the date of EACC vote to revoke the project certification.



Deval L. Patrick, Governor
 Richard A. Davey, Secretary & CEO
 Celia J. Blue, Registrar



Date:

To:

Re: DV Plate Eligibility

Dear :

1. The Registrar has determined that you are eligible for a Disabled Veteran's Plate, (DV plate) based upon a finding that you qualify as a "Veteran" under M.G.L. Chapter 4, Section 7 and also upon a determination by the Registry's Medical Advisory Board (MAB), pursuant to its authority under M.G.L. Chapter 90 Section 8C, that you are "permanently disabled."

2. Such an approval by the Registrar also means that you meet the eligibility standards in M.G.L. Chapter 60A, Section 1 for an exemption from the Motor Vehicle Excise Tax. You need not, however, register your vehicle with DV plates (no fee) to be eligible for the excise tax exemption but may choose passenger plates (at no fee) for a passenger vehicle or pick-up truck. Chapter 60A states, in part:

"This exemption shall apply to not more than one motor vehicle owned and registered for the personal, non-commercial use of such veteran or person."

3. If you register your vehicle with passenger plates that require the payment of "special fees" under the RMVs most recent "Schedule of Fees," you will be subject to those fees. You will also be subject to registration fees and excise tax if you own additional vehicles.

4. If you wish to register your vehicle with the DV plate authorized for you, then:

- (i) Please obtain a completed registration application from your insurance company.
- (ii) Bring the application to your local Registry Branch along with the plates presently on the vehicle.
- (iii) **Your Disabled Veteran plates will be issued providing the vehicle is registered and titled in your name. If held in joint ownership, YOUR NAME MUST BE LISTED FIRST.**
- (iv) Your plates, MUST BE PICKED UP WITHIN 30 DAYS at the Registry Branch you
 selected located in: MA.

Whether you do or do not register your vehicle with DV plates, in order to apply for the excise tax exemption you must do so through your municipal tax assessor. You will need to provide that office with a photocopy of this letter.

If you have any questions, please contact the Medical Affairs Branch Staff at (857) 368-8020.

Sincerely,
 Medical Affairs Branch

sae SXXXXXXXX