

By Mr. Binienda of Worcester, petition of John B. Anderson (acting mayor), Andrew Collaro, Kevin O'Sullivan, John J. Binienda, William J. Glodis, Jr., John Patrick Houston, Thomas P. White and another (with the approval of the city council) relative to tax concessions granted to developers of urban renewal projects in the city of Worcester. Taxation. [Local Approval Received.]

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety.

AN ACT RELATIVE TO TAX CONCESSIONS GRANTED TO DEVELOPERS OF URBAN RENEWAL PROJECTS IN THE CITY OF WORCESTER.

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

1 Notwithstanding the provisions of Section 10 of Chapter 121A
2 of the General Laws or of any other general or special law or rule
3 or regulation to the contrary, the City of Worcester is hereby
4 authorized to grant tax concessions to developers of urban
5 redevelopment corporation projects in accordance with the
6 remaining provisions of Chapter 121A and the following
7 substitute provisions for Section 10:

8 For a period of ten years after the organization of any such
9 corporation, such corporation and all its real and personal
10 property, including all real and personal property leased by it from
11 a housing authority or from a redevelopment authority or from
12 a city or town or a corporation wholly owned or controlled by
13 a city or town, shall be exempt from taxation and from
14 betterments and special assessments according to the following
15 schedule: Years 1-5, 80% exempt; Year 6, 75% exempt; Year 7,
16 70% exempt; Year 8, 60% exempt; Year 9, 40% exempt and Year
17 10, 20% exempt, and for such period any such corporation shall
18 not be required to pay any tax, excise, or assessment to or for
19 the commonwealth or any of its political subdivisions; provided,
20 however, that notwithstanding the foregoing provisions of this

21 section, any such corporation shall be required to pay (1) the
22 excises and sums respectively prescribed by this section and
23 section fifteen; (2) excises assessed under chapter sixty A and acts
24 in amendment thereof or addition thereto; and (3) excises imposed
25 by chapter sixty-four A and acts in amendment thereof or addition
26 thereto; and provided, further, that nothing in this section shall
27 be construed to prevent any such corporation which enters into
28 a contract under section fourteen from agreeing therein to make,
29 or from making pursuant thereto, payments in lieu of betterments
30 or special assessments.

31 Notwithstanding the foregoing provisions of this section, the
32 assessors of every city or town in which real or tangible personal
33 property exempted by this section from taxation under chapter
34 fifty-nine is situated on January first of any year shall, on or before
35 March first in such year, determine and certify to the
36 commissioner of revenue and to the corporation organized under
37 this chapter which owns or leases such property the fair cash value
38 of such property as of January first in such year. On or before
39 the first day of April then next ensuing, or within thirty days after
40 the receipt of the certification of valuation from the assessors,
41 whichever is later, such corporation, if aggrieved by such
42 valuation, may appeal therefrom to the appellate tax board. Said
43 board shall hear and decide the subject matter of such appeal and
44 give notice of its decision to the commissioner of revenue, the
45 assessors and the corporation; and, except as provided in section
46 thirteen of chapter fifty-eight A, such decision shall be final and
47 conclusive.

48 During the period of ten years after the organization of a
49 corporation under this chapter, such corporation shall pay in each
50 calendar year to the commonwealth with respect to its corporate
51 existence at any time within the preceding calendar year an excise
52 equal to the sum of the following: namely, an amount equal to
53 two percent of its gross income in such preceding calendar year,
54 from all sources, and an amount equal to five dollars per thousand
55 upon the valuation determined as hereinbefore provided to be the
56 fair cash value as of January first in the year in which the excise
57 becomes payable of all real and tangible personal property of such
58 corporation, including all real and tangible personal property
59 leased by it which is exempted by this section from taxation under

60 chapter fifty-nine; provided, that the excise payable in any year
61 shall not be less than the amount which the city or town would
62 receive for taxes, at the rate for such year, upon whichever of the
63 following valuations is the lesser: (a) the valuation upon which
64 the aforesaid amount equal to five dollars per thousand is
65 computed; or (b) the average of the assessed valuations of the land
66 and all buildings and other things erected thereon or affixed
67 thereto on the three assessment dates, in the case of land
68 purchased, taken or leased by such corporation from a housing
69 authority, redevelopment authority, city, town or corporation
70 wholly owned or controlled by a city or town, next preceding the
71 acquisition of the land by such housing authority, redevelopment
72 authority, city, town or wholly owned or controlled corporation,
73 and in the case of all other land purchased, taken or leased by
74 a corporation organized under this chapter, next preceding the
75 acquisition thereof by such corporation, the assessed valuation for
76 each assessment date being reduced by all abatements, if any. As
77 used herein, the phrase "rate for such year" shall be the rate
78 established by the city or town with respect to the fiscal year
79 commencing during the calendar year for which a return is filed
80 by the corporation.

81 Any plan for a project may provide that the project may be
82 developed in separate stages, and such stages may be varied from
83 time to time with the approval of the housing board. Whenever
84 a project shall be developed in stages, any excise payable with
85 respect to corporate existence in a calendar year ending before
86 construction of the last stage of the project is completed, shall be
87 computed as though each stage constituted a separate project
88 owned by a separate corporation.

89 All provisions of chapter sixty-two C relative to the
90 administration of taxes shall, so far as pertinent and consistent,
91 be applicable to the excise imposed by this section. Said excise
92 shall be paid to the commissioner of revenue at the time provided
93 for filing the return required by section twelve of chapter sixty-
94 two C. Said excise shall be distributed, credited and paid to the
95 city or town where the project of the corporation is located.

96 Real estate acquired by a corporation organized under this
97 chapter by lease from any person other than a housing authority,
98 redevelopment authority, city, town or corporation wholly owned

99 or controlled by a city or town, shall be subject to taxation in
100 the same manner and to the same extent as if such real estate were
101 wholly owned and occupied by a private person; but so long as
102 the period of ten years from the organization of such corporation
103 has not expired and the leasehold estate continues to be held by
104 such corporation, all buildings and other things erected by such
105 corporation on, or affixed by such corporation to, any land
106 acquired by such corporation by such lease shall, for the purposes
107 of this chapter and of chapter fifty-nine, be deemed to be tangible
108 personal property of such corporation.

109 Real estate acquired by lease as aforesaid shall be excluded in
110 making determinations and computing the excise under this
111 section, except that the assessed valuation of all buildings and
112 other things erected thereon or affixed thereto on the three
113 assessment dates next preceding acquisition by such lease shall
114 be included in computing the average valuation under clause (b)
115 of the third paragraph of this section.

116 Notwithstanding any other provisions of this chapter or of any
117 other law, the assessors of the city or town in which a project is
118 to be located may, and upon the request of the housing board
119 they shall determine for the purposes of this section the maximum
120 fair cash value of any proposed project or of any stage or stages
121 thereof. Such determination may be made prior to the
122 construction of the project or of any stage or stages thereof on
123 the basis of the plan for such project, stage or stages. Whenever
124 any such determination shall have been made, the fair cash value
125 of the real estate and tangible personal property of the corporation
126 shall in no event be valued for the purposes of this section in an
127 amount exceeding such maximum fair cash value, except upon
128 a showing that the corporation has acquired real estate or tangible
129 personal property not included in the plan upon which such
130 maximum fair cash value was based, and in such event any such
131 excess valuation shall be limited to the value of such additional
132 real estate and tangible personal property.

133 All such information, as submitted to the department of revenue
134 and the appellate tax board by such corporation and the assessors
135 of every such city or town, shall be filed with the housing board
136 and the office of the assessor of the city or town in which the
137 project is located, and, upon request, shall be made available by

138 said department of revenue and by the housing board to any
139 person in accordance with the twenty-sixth clause of section four
140 of chapter seven.

141 For the purposes of this section, "gross income" shall mean
142 payments actually made by persons for the right to reside in or
143 occupy any portion or all of the project and shall not be deemed
144 to include any payments made by any governmental unit to or
145 on behalf of such corporation or to or on behalf of any tenant
146 of such corporation which are in addition to such payments
147 actually made by such tenant.

148 The ten year period of exemption from taxation provided in
149 this section may be extended as herein provided with respect to
150 a project authorized under this chapter for new construction
151 elements and amenities only as certified by the housing board. The
152 granting of any such extension and the duration thereof shall be
153 based upon the amenities established or to be established in the
154 project area and shall be determined in accordance with rules and
155 regulations from time to time promulgated by the housing board.
156 Said rules and regulations shall detail the nature, quality and
157 quantity of various amenities any one or more of which, if
158 established within the project authorized under this chapter,
159 would significantly contribute to the utility or distinctiveness of
160 the project and shall further stipulate the maximum period and
161 minimum period of extension of exemption from taxation
162 applicable to each such amenity. In determining the duration of
163 the applicable extension period for the purposes of rules and
164 regulations, the housing board shall consider, among other things,
165 the effect the amenity may have on a project with respect to
166 additional project costs or loss of project revenue. Such amenities
167 may impact the tax exemption by allowing an extension from
168 taxation of an additional 80% of the taxable value of the amount
169 as determined by the city and reduced according to the original
170 schedule described above over a ten year period.

171 The schedule of amenities as shall be specified in the rules and
172 regulations, upon which an abatement may be granted, shall
173 include, but not necessarily be limited to: (a) housing for persons
174 of low and moderate income; (b) housing or facilities designed
175 for the servicing of the specific needs of handicapped persons; (c)
176 facilities designed for the servicing of the specific needs of learning

177 disabled children; (d) commercial or industrial development
178 which will result in the employment of minority persons or of
179 persons residing in or near the project; (e) restoration or
180 rehabilitation of structures or sites of architectural or historic
181 merit, when such structures or sites are in the National Register
182 of Historic Places or are in the Inventory of Historic Assets of
183 the Commonwealth and when they are certified by the
184 Massachusetts Historical Commission, and when any such
185 registered or certified structures or sites are coupled with the
186 development of facilities which contribute to public understanding
187 and the appreciation of their significance; (f) provisions for open
188 space; (g) provisions for recreational or community public
189 facilities; (h) provisions for the incorporation of significant
190 architectural features in the construction and design of the project;
191 (i) provisions for the incorporation of unusual features of
192 construction or design to overcome a factor which contributed
193 to the project being a blighted open area; (j) provisions for child
194 care services; (k) provisions for enclosed parking amenities; (l)
195 provisions for contributions to mass transit services; and (m)
196 provisions for cultural amenities.

197 The rules and regulations required by this section shall be
198 adopted and may be amended by the housing board only after
199 said housing board has held a public hearing. Said hearing shall
200 be conducted by the housing board pursuant to the provisions of
201 section two of chapter thirty A except that, and in addition to
202 the notice requirements thereof, the housing board shall, at least
203 thirty-five days prior to the public hearing, send notice of said
204 hearing to: (a) all corporations authorized to undertake a project
205 under provisions of this chapter; (b) any applicant seeking
206 authorization to undertake a project under provisions of this
207 chapter; and (c) the mayor, city council and planning board in
208 cities, and the selectmen and planning board in towns, in which
209 corporations have been authorized to undertake projects or in
210 which applicants seek authorization to undertake projects
211 thereunder. The housing board may rely upon its records in
212 satisfying the notice requirements of this paragraph.

213 Applications for an extension period shall only be made to the
214 housing board at the time initial authority and approval is sought,
215 except, however, application may be made within four years after

216 the initial authority and approval is granted provided that such
217 application seeks an extension period based on the establishment
218 of amenities within a portion of a project, the use of which was
219 undesignated at the time of the granting of such initial authority
220 and approval; and excepted further, that in the event of future
221 amendment or change of the rules and regulations promulgated
222 pursuant to this section, application may be made at any time,
223 by a corporation authorized under this chapter, after such
224 amendment or change is in force and effect, provided however,
225 that any such application seeks an extension, the grant of which
226 shall be consistent with any amended or changed rule or regulation
227 then in force and effect.

228 Applications for an extension period submitted to the housing
229 board pursuant to this section shall be transmitted for public
230 hearing and determination in the same manner as provided for
231 the application for approval of a project under this chapter,
232 provided, however, that if such application for an extension
233 period is submitted as part of an original application for project
234 approval, such application shall be heard and determined in
235 conjunction with the original application.

236 Subject to the provisions of this section and the rules and
237 regulations of the housing board adopted as provided herein, an
238 application for an extension period may be approved or
239 disapproved, or disapproved with recommended changes which,
240 if made, would warrant approval. In granting approval of such
241 application, the approving authority shall specify the number of
242 years of extension of exemption from taxation granted. If the
243 application is disapproved with recommended changes, the
244 applicant may amend its application in accordance with such
245 suggested changes and resubmit the application as amended to
246 the approving authority. The approving authority may approve
247 or disapprove the application as amended without further public
248 hearing, unless, in its opinion, the proposed changes materially
249 affect the cost of the project, the revenue accruing to the city or
250 town therefrom, or the period of exemption from taxation granted
251 to the project pursuant to this section, in which event the
252 approving authority shall hold a further public hearing in
253 accordance with the provisions of this chapter applicable to an
254 original application.

255 Any corporation authorized under this chapter proposing (a)
256 a project or portion thereof of housing subsidized by the federal
257 or state government under any program to assist the construction
258 of low or moderate income housing as defined in the applicable
259 federal or state statutes whether built or operated by any public
260 agency or any non-profit or limited dividend organization
261 including a project or portion thereof financed under the
262 provisions of chapter seven hundred and eight of the acts of
263 nineteen hundred and sixty-six, as amended, or (b) a project or
264 portion thereof of low and moderate income housing to be
265 financed in whole or in part by funds made available by the federal
266 or state government or any instrumentality thereof or by any
267 mortgage or mortgage bonds insured or guaranteed by the federal
268 housing commissioner or the administrator of veterans' affairs or
269 any other instrumentality of the federal or state governments shall
270 receive with respect to such projects or portions thereof, an initial
271 ten year period of tax exemption as provided by section ten and
272 shall receive an additional period of tax exemption equal to ten
273 years.