

By Mr. Bolling of Boston, petition of Royal L. Bolling, Jr., relative to authorizing the establishment of urban enterprise zones in the Commonwealth. Taxation.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-Six.

AN ACT AUTHORIZING THE ESTABLISHMENT OF URBAN ENTERPRISE IN THE COMMONWEALTH.

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

1 SECTION 1. The Governor shall within thirty (30) days of the
2 enactment of this Act designate an Executive Office to administer
3 this Act and the Secretary of said office shall have the following
4 duties: He shall have the authority: —

5 (A) To approve within sixty (60) days of the Governor's desig-
6 nation of an Executive Office, the designation of ten areas as enter-
7 prise zones. In designating areas as enterprise zones, he shall
8 require the following criteria to be satisfied:

9 a. If located within a standard metropolitan statistical area
10 (SMSA), a proposed zone must have a population of at least 4,000.
11 If not located within an SMSA, a proposed zone must have a
12 population of at least 2,500.

13 b. Any proposed zone must meet the criteria for distressed
14 communities as defined in the United States Department of Hous-
15 ing and Urban Development, Urban Development Action Grant
16 program regulations as set forth at 24 C.F.R. 570.451 and 570.452.

17 c. In addition to the above, any proposed zone must meet at
18 least one of the following criteria: (1) On the basis of the 1980
19 census, the annual average unemployment rate in the proposed
20 zone exceeds the national average for the same period by a least
21 fifty percent. (2) On the basis of the 1980 census, the proposed zone
22 has a poverty rate of twenty percent or more for each census tract,

23 minor civil division or census county division. (3) Seventy percent
24 of the households of the proposed zone have incomes below eighty
25 percent of the median income of the households in the jurisdiction
26 of the local government nominating the area. (4) On the basis of
27 both the 1970 and 1980 census, population has decreased in the
28 proposed zone by at least twenty percent.

29 (B) To remove, at his discretion, the designation of any area that
30 no longer meets the criteria for designation as set forth in this Act.
31 No such designation shall be removed less than ten years after the
32 original date of approval of such zone.

33 (C) To monitor the implementation of and operation of the
34 enterprise zone program.

35 (D) To assist units of local government in obtaining the widest
36 variety and magnitude of assistance available to effectuate the
37 purposes of this act.

38 (E) To appoint, within thirty days of the Governor's designation
39 of an Executive Office, a five-member committee to study the
40 possible means of expediting the foreclosure and auction of tax
41 delinquent properties in the Commonwealth. Such committee
42 shall have at least two members who sit on the Land Court Judi-
43 ciary, and shall issue a final report and recommendations to the
44 General Court. It shall complete these duties within six months of
45 the appointment of all its members.

1 SECTION 2. *Land Clearance Within Zones.*

2 (A) The Massachusetts Government Land Bank shall where
3 appropriate designate land owned by the Commonwealth in enter-
4 prise zones as surplus land. Title to said land shall then be conveyed
5 in fee simple to the city or town in which it is located.

6 (B) Cities and towns shall possess full eminent domain powers
7 throughout their respective enterprise zones.

1 SECTION 3. *Public Safety Within Zones.*

2 (A) One-half of any increase from the pre-designation total of
3 Massachusetts corporate income and sales tax proceeds received
4 from businesses in an enterprise zone shall be returned to the
5 particular municipality to be expended for public safety activities
6 with the zone. In addition, the Secretary at his designation can
7 issue bonds on behalf of cities with enterprise zones requiring the

8 use of the proceeds of these bonds to be spent solely for public
9 safety purposes and requiring that the aforesaid return of income
10 and sales tax proceeds by the Commonwealth to the city be set
11 aside to repay the holders of these bonds.

12 Furthermore, not less than ten percent of the proceeds from the
13 sale or lease of land owned by a municipality in an enterprise zone
14 shall also be expended for public safety activities.

1 SECTION 4. *Employment and Training Vouchers Within*
2 *Zones.*

3 (A) The Secretary shall develop an employment and training
4 voucher system whereby vouchers shall be issued to both residents
5 of enterprise zones and city residents hired and trained by busi-
6 nesses located in enterprise zones. In developing this system, the
7 Secretary shall assign at least twice the value for vouchers received
8 by enterprise zone residents to those received by city residents in
9 general. He shall also designate an entity to certify income eligibil-
10 ity and to verify the claims of businesses seeking credit for these
11 vouchers.

12 (B) All entities seeking Bay State Corporation funds shall be
13 given special consideration where the workers to be trained will be
14 employed in an enterprise zone.

1 SECTION 5. *Capital Formation and Financing Within Zones.*

2 (A) All areas designated as enterprise zones shall automatically
3 also qualify as Commercial Area Revitalization Districts.

4 (B) Any applicant for financial assistance from the Massachu-
5 setts Government Land Bank, the Community Development
6 Finance Corporation, the Technology Development Corporation,
7 the Capital Resource Corporation, the Community Development
8 Action Grant Program, the Massachusetts Housing Finance
9 Authority, the Massachusetts Industrial Finance Agency and the
10 Public Works Transportation Program shall be given preferential
11 consideration where the funds sought will be used in an enterprise
12 zone.

13 (C) If tax increment financing legislation shall be enacted, all
14 areas designated as enterprise zones shall at that time automati-
15 cally also qualify as Tax Increment Financing Districts.

16 (D) There shall be a fund established and held in trust by the

17 state treasurer for the purpose of guaranteeing the repayment of
18 Massachusetts Industrial Finance Agency bonds insofar as said
19 bonds consist of small-issue Industrial Revenue Bonds issued in
20 behalf of an eligible entity located in an enterprise zone.

21 (E) Where either a loan or equity assistance is to be provided to
22 a business located in an enterprise zone, the banking institution
23 providing the loan or equity assistance shall be exempt from all
24 restrictions imposed by State law upon equity assistance and in
25 regard to loans from all restrictions as to interest rate levels and
26 permissible loan recipients.