

By Mr. Fitzgerald of Boston, petition of Kevin W. Fitzgerald, Kevin G. Honan, Nelson Merced, John E. McDonough and Frederick E. Berry for legislation to further define the duties and responsibilities of the Massachusetts Development Finance Corporation. Commerce and Labor.

The Commonwealth of Massachusetts

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

AN ACT FURTHER DEFINING THE DUTIES AND RESPONSIBILITIES OF THE MASSACHUSETTS DEVELOPMENT FINANCE CORPORATION.

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. Section 1 of chapter 40F of the General Laws as
2 most recently amended by section 1A of chapter 324 of the Acts
3 of 1987 is hereby further amended by striking out the definition
4 of "costs of project" and inserting in place thereof the following
5 definition: —

6 "Costs of project," any and all costs associated with the design,
7 planning and implementation of a project undertaken in a target
8 area which can reasonably be recovered in the financing of the
9 project. Such costs may include but are not limited to the costs
10 of planning, design, and other administrative costs, options to buy
11 land, feasibility or other studies, seed money, construction
12 working capital, and other costs determined by the directors of
13 the corporation to be necessary for the purposes of this chapter;
14 provided, however, that administrative costs shall not exceed ten
15 percent of the amount invested by the Massachusetts Community
16 Development Finance Corporation towards the total costs of any
17 project.

1 SECTION 1A. Section 1 of chapter 40F of the General Laws
2 is hereby further amended by striking out the definition "small
3 business" and inserting in place thereof the following defini-
4 tion: —

5 “Small business”, any business that has either an average gross
6 sales of less than twelve million dollars per year for the most recent
7 two fiscal years, or has less than two hundred and fifty full-time
8 employees, except that businesses primarily engaged in
9 wholesaling shall be considered eligible if their average gross
10 annual sales for the most recently two fiscal years does not exceed
11 fifteen million dollars per year.

1 SECTION 2. Section 3 of chapter 40F of the General Laws as
2 most recently amended by chapter 324 of the Acts of 1987 is hereby
3 further amended by striking out paragraph (i) and inserting in
4 place thereof the following paragraph: —

5 (i) Borrow money by the issuance of debt obligations whether
6 tax exempt or taxable and secure such obligations by the pledge
7 of its revenues or of the revenues, mortgages, and notes of others,
8 provided that the corporation shall not issue debt obligations
9 theretofore issued by the corporation, excluding debt obligations
10 previously refunded or being or to be refunded thereby, shall
11 exceed one hundred million dollars.

1 SECTION 3. Section 4 of chapter 40F of the General Laws,
2 as appearing in the 1986 Official Edition, is hereby amended by
3 striking out paragraph (13) and inserting in place thereof the
4 following: —

5 (13) The Community Development Finance Corporation has
6 not invested or loaned more than twenty percent of all of the
7 lendable investable resources made available to it under this
8 chapter in any one CDC, including this investment.

1 SECTION 4. Section eight of chapter 324 of the Acts of 1987
2 is hereby amended by striking out the section and inserting in place
3 thereof the following section: —

4 Section 8. Section six of this Act shall take effect on July first,
5 Two Thousand.