

SENATE No. 1288

By Mr. Antonioni, petition (accompanied by bill, Senate, No. 1288) of Robert A. Antonioni for legislation to establish regional recovery zones in the Commonwealth. Taxation.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety-Three.

AN ACT ESTABLISHING REGIONAL RECOVERY ZONES.

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 General Court finds that areas of the
2 Commonwealth with an unemployment rate that is consistently
3 higher than the state unemployment rate should be provided with
4 incentives designed to stimulate public and private investment to
5 insure that a fair share of new employment opportunities are
6 created in those areas. The General Court further finds that these
7 incentives shall be applied to cities and towns within designated
8 zones as well as to qualified employers who are investing in
9 expansion and/or modernization that will result in the creation
10 of new jobs. Incentives will only apply to employers who can
11 demonstrate that the creation of new jobs will cause a loss of jobs
12 in other parts of the Commonwealth.

1 SECTION 2. The following terms as used in this chapter shall
2 have the following meanings, except where the context clearly
3 indicates otherwise:

4 "Department", the Department of Employment and Training.

5 "Labor Market Areas", those cities and towns designated as
6 such by the Commissioner of the Department of Employment and
7 Training.

8 "Regional Recovery Zones", those labor market areas
9 designated by the Secretary in accordance with Section 4 of this
10 act.

11 “Unemployment Rates”, the official, seasonally adjusted rates
12 that are released on a monthly and annual basis by the
13 Department of Employment and Training.

1 SECTION 3. Within 30 days of the official release of the
2 annual unemployment rates by the Department of Employment
3 and Training, the Secretary shall designate as regional recovery
4 zones all labor market areas that meet one of the following criteria:

5 a. The annual unemployment rate for the labor market area for
6 the previous year is higher than the statewide average by at least
7 one and a half times.

8 b. The monthly unemployment rate for the labor market area
9 has exceeded the statewide unemployment rate for the same
10 month by at least one and a half times in at least eight of the twelve
11 months in the previous year.

12 c. Designation of a Regional Recovery Zone shall be for a
13 period of two years.

1 SECTION 4. (a) It is the intent of this chapter to promote the
2 distribution of economic prosperity more evenly throughout the
3 Commonwealth by targeting resources and providing additional
4 inducements to businesses to expand or locate in areas of
5 economic distress. The Secretary of Economic Affairs shall
6 undertake the following actions to facilitate this targeting of
7 resources and provision of inducements.

8 (b) It shall be the responsibility of all Secretaries of Executive
9 Offices and all independent state agencies to identify programs
10 under their jurisdiction which could further the objectives outlined
11 in subsection (a) and sections one and five.

12 Each Executive Office and independent state agency shall be
13 required to submit an identification of such programs to the
14 Secretary of Economic Affairs and the General Court by July first
15 nineteen hundred and ninety-one.

16 The identification shall include, but not be limited to, the name
17 of the program, the appropriation for the past three fiscal years,
18 the method of distribution of resources, the economic
19 development impact of the program, and proposals for
20 modification to comply with the intent of this chapter.

21 (c) Massachusetts public finance agencies including but not
22 limited to the Massachusetts Industrial Finance Agency,
23 Massachusetts Government Land Bank, Massachusetts Technol-
24 ogy Development Corporation, Massachusetts Capital Resource
25 Company, Massachusetts Business Development Corporation,
26 Community Development Finance Corporation, Industrial
27 Services Program, Massachusetts Product Development
28 Corporation, and the Thrift Institutions Fund for Economic
29 Development, shall be required to submit to the Secretary by July
30 first, nineteen hundred and ninety-one a plan to address the
31 objectives outlined in subsection (a) and sections one and five.

32 The agencies are further required to submit to the Secretary and
33 the General Court, by September 30 of each year, a report
34 addressing how the objectives were met for the previous fiscal
35 year.

36 (d) The Commissioner of the Department of Employment and
37 Training is directed to review the procedure for the allocation of
38 federal and state funds for job training throughout the
39 Commonwealth and to submit a plan to the General Court by
40 July first, nineteen hundred and ninety-one to attain the goal of
41 allocating funds within Regional Recovery Zones at a minimum
42 level of one and one-half times the statewide per capita average.

1 SECTION 5. (a) It is the intent of this section to encourage
2 investment and the creation of new jobs by employers in the
3 designated regional recovery zone.

4 (b) To obtain maximum leverage from the Section five only
5 employers incentives provided in engaged in manufacturing (as
6 defined by Standard Industrial Classification Codes 20-39),
7 wholesale trade and distribution (as defined by Standard
8 Industrial Classification Codes 50 and 51), Insurance (as defined
9 by Standard Industrial Classification Codes 63-64) and research
10 and development (as defined by Standard Industrial Classification
11 Code 7391) shall be eligible for the incentives provided in this
12 section. The Secretary is empowered to make additional
13 companies eligible that do not fall within the designated SIC codes
14 if he determines that benefits provided to these companies will
15 not cause a loss of jobs by other employers within the Regional
16 Recovery Zones.

17 In order to receive the incentives provided in this Section,
18 companies shall be required to certify to the Secretary that the
19 jobs to be created will not result in the loss of jobs by the company
20 elsewhere in the commonwealth.

21 In order to receive the incentives provided in this Section,
22 companies shall be required to certify that a minimum of 50% of
23 the new jobs created over a two year period following completion
24 of any project be filled with residents of the Regional Recovery
25 Zone. Companies shall also be required to certify that a minimum
26 of 50% of construction jobs, over said two year period shall be
27 filled with residents of the regional recovery zone.

28 (c) Eligible companies may receive a 3% investment tax credit
29 on new construction, renovation, rehabilitation and purchase of
30 machinery and equipment directly related to the company's
31 expansion or relocation and the creditation of additional
32 permanent full-time jobs.

33 (d) Eligible companies may receive a full sales tax credit on new
34 construction, renovation, rehabilitation and purchases of
35 machinery and equipment directly related to the company's
36 expansion or relocation and the creation of additional permanent
37 full-time jobs.

38 (e) The Commissioner of the Department of Environmental
39 Protection shall give priority status to the processing of
40 applications within his department from eligible companies in
41 subsection (b) of section five expanding within regional recovery
42 zones. Said commissioner of environmental protection shall
43 develop a plan to implement said policy in providing priority
44 status for applications within Regional Recovery Zones.

45 (f) Cities and towns within Regional Recovery Zones are hereby
46 empowered to provide optional property tax relief to eligible
47 companies as defined in subsection (b).

48 Said local option shall be available as long as a community has
49 the designation of a Regional Recovery Zone.

50 (g) The Secretary shall provide information on the type of
51 incentives, eligibility of employers and procedures for receiving
52 incentives by July first, nineteen hundred and ninety-one. Such
53 information shall be available and widely distributed throughout
54 the Commonwealth.

1 SECTION 6. The Commissioner of Banking is directed to
2 present to the Secretary and the General Court a plan for allowing
3 credits under the Community Reinvestment Act to banks making
4 loans to companies that are eligible as defined in subsection (b)
5 of section five.

