

By Mr. Antonioni of Leominster, petition 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-Two.

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 The General Laws are hereby amended by inserting after
2 chapter 40M the following chapter: —

3 **CHAPTER 40N.**
4 **REGIONAL RECOVERY ZONES.**

5 Section 1. The General Court finds that areas of the
6 Commonwealth with an unemployment rate that is consistently
7 higher than the state unemployment rate should be provided with
8 incentives designed to stimulate public and private investment to
9 insure that a fair share of new employment opportunities are
10 created in those areas. The General Court further finds that these
11 incentives shall be applied to cities and towns within designated
12 zones as well as to qualified employers who are investing in
13 expansion and/or modernization that will result in the creation
14 of new jobs. Incentives will only apply to employers who can
15 demonstrate that the creation of new jobs will cause a loss of jobs
16 in other parts of the Commonwealth.

17 Section 2. The following terms as used in this chapter shall
18 have the following meanings, except where the context clearly
19 indicates otherwise:

20 "Department", the Department of Employment and Training.
21 "Labor Market Areas", those cities and towns designated as
22 such by the Commissioner of the Department of Employment and
23 Training.

24 “Regional Recovery Zones”, those labor market areas
25 designated by the Secretary in accordance with Section 4 of this
26 act.

27 “Unemployment Rates”, the official, seasonally adjusted rates
28 that are released on a monthly and annual basis by the Depart-
29 ment of Employment and Training.

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

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

37 b. The monthly unemployment rate for the labor market area
38 has exceeded the statewide unemployment rate for the same
39 month by at least one and a half times in at least eight of the twelve
40 months in the previous year.

41 c. Designation of a Regional Recovery Zone shall be for a
42 period of two years.

43 Section 4. (a) It is the intent of this chapter to promote the
44 distribution of economic prosperity more evenly throughout the
45 Commonwealth by targeting resources and providing additional
46 inducements to businesses to expand or locate in areas of
47 economic distress. The Secretary of Economic Affairs shall
48 undertake the following actions to facilitate this targeting of
49 resources and provision of inducements.

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

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

58 The identification shall include, but not be limited to, the name
59 of the program, the appropriation for the past three fiscal years,
60 the method of distribution of resources, the economic
61 development impact of the program, and proposals for
62 modification to comply with the intent of this chapter.

63 (c) Massachusetts public finance agencies including but not
64 limited to the Massachusetts Industrial Finance Agency,
65 Massachusetts Government Land Bank, Massachusetts Technol-
66 ogy Development Corporation, Massachusetts Capital Resource
67 Company, Massachusetts Business Development Corporation,
68 Community Development Finance Corporation, Industrial
69 Services Program, Massachusetts Product Development
70 Corporation, and the Thrift Institutions Fund for Economic
71 Development, shall be required to submit to the Secretary by July
72 first, nineteen hundred and ninety-one a plan to address the
73 objectives outlined in subsection (a) and sections one and five.

74 The agencies are further required to submit to the Secretary and
75 the General Court, by September 30 of each year, a report
76 addressing how the objectives were met for the previous fiscal
77 year.

78 (d) The Commissioner of the Department of Employment and
79 Training is directed to review the procedure for the allocation of
80 federal and state funds for job training throughout the Common-
81 wealth and to submit a plan to the General Court by July first,
82 nineteen hundred and ninety-one to attain the goal of allocating
83 funds within Regional Recovery Zones at a minimum level of one
84 and one-half times the statewide per capita average.

85 Section 5. (a) It is the intent of this section to encourage
86 investment and the creation of new jobs by employers in the
87 designated regional recovery zone.

88 (b) To obtain maximum leverage from the Section five only
89 employers incentives provided in engaged in manufacturing (as
90 defined by Standard Industrial Classification Codes 20-39),
91 wholesale trade and distribution (as defined by Standard
92 Industrial Classification Code 50 and 51), Insurance (as defined
93 by Standard Industrial Classification Codes 63-64) and research
94 and development (as defined by Standard Industrial Classification
95 Code 7391) shall be eligible for the incentives provided in this
96 section. The Secretary is empowered to make additional
97 companies eligible that do not fall within the designated SIC codes
98 if he determines that benefits provided to these companies will
99 not cause a loss of jobs by other employers within the Regional
100 Recovery Zone.

101 In order to receive the incentives provided in this Section,
102 companies shall be required to certify to the Secretary that the
103 jobs to be created will not result in the loss of jobs by the company
104 elsewhere in the Commonwealth.

105 In order to receive the incentives provided in this Section,
106 companies shall be required to certify that a minimum of 50% of
107 the new jobs created over a two year period following completion
108 of any project be filled with residents of the Regional Recovery
109 Zone. Companies shall also be required to certify that a minimum
110 of 50% of construction jobs over said two year period shall be
111 filled with residents of the regional recovery zone.

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

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

122 (e) The Commissioner of the Department of Environmental
123 Protection shall give priority status to the processing of
124 applications within his department from eligible companies in
125 subsection (b) of section five expanding within regional recovery
126 zones. Said commissioner of environmental protection shall
127 develop a plan to implement said policy in providing priority
128 status for applications within regional recovery zones.

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

132 Said local option shall be available as long as a community has
133 the designation of a regional recovery zone.

134 (g) The Secretary shall provide information on the type of
135 incentives, eligibility of employers and procedures for receiving
136 incentives by July first, nineteen hundred and ninety-one. Such
137 information shall be available and widely distributed throughout
138 the Commonwealth.

139 Section 6. The Commissioner of Banking is directed to present
140 to the Secretary and the General Court a plan for allowing credits
141 under the Community Reinvestment Act to banks making loans
142 to companies that are eligible as defined in subsection (b) of sec-
143 tion five.

