

GOVERNOR PATRICK SIGNS ECONOMIC DEVELOPMENT BILL INTO LAW

Law will help create jobs, provide small business assistance and access to capital, streamline statewide economic development efforts and provide sales tax holiday for consumers

BOSTON - Thursday, August 5, 2010 - As part of the Patrick-Murray Administration's historic efforts to promote job growth and long-term economic recovery, Governor Deval Patrick today signed into law an economic development bill that will help small businesses create jobs by providing access to capital through the newly created Massachusetts Growth Capital Corporation, streamlining the Commonwealth's economic development activities and agencies, providing more transparent and equitable bond financing terms for educational and health care facilities and approving a sales tax holiday for retailers and consumers later this month.

"This new law will create countless jobs across the Commonwealth, give small businesses the support they need and help Massachusetts continue to lead the nation out of recession," said Governor Deval Patrick. "I commend Senate President Murray, Speaker DeLeo, and the members of the Legislature for working in collaboration to pass such a vital and comprehensive Economic Development bill. I am particularly pleased that the bill includes a sales tax holiday, as it will give individuals, families and businesses the immediate economic boost we so critically need."

"As our economy continues to recover, this bill will be a vital tool that will support additional job creation, address the needs of small businesses, and improve infrastructure in all regions of the Commonwealth," said Lieutenant Governor Timothy Murray. "Additionally, we will continue to increase the efficiency and effectiveness of services by realigning our economic development structure and network."

"This is about re-organizing, re-focusing and re-committing ourselves to creating jobs and sharpening our competitive edge," said Senate President Therese Murray. "It sends all the right signals to businesses that we're serious about investment and growth here in the Commonwealth."

"This bill signals the continued focus of the House, Senate and Governor on jump-starting economic growth and bringing businesses and jobs to Massachusetts," said House Speaker Robert A. DeLeo. "This legislation will improve efficiency in our state's economic development agencies and make Massachusetts more business-friendly to increase employment opportunities across the Commonwealth."

The bill signed today contains a number of provisions, including:

- The creation and \$35 million capitalization of the Massachusetts Growth Capital Corporation (MGCC) which will create and preserve jobs, as well as promote economic development in communities by serving as a one stop resource for small businesses seeking capital and advice. The MGCC will offer working capital, loan guarantees, grants, and financial guidance - including one-on-one mentoring services.

- The \$50 million recapitalization of the Growth District Initiative which allows for infrastructure investments in areas identified as poised for significant new growth consistent with the Commonwealth's sustainable development principles, throughout all regions of the Commonwealth. Since its launch in February 2008, 20 Growth Districts have been identified throughout the state and \$49.2M in Growth District grants have been awarded - mostly to Gateway Cities.
- A sales tax holiday weekend on August 14 and 15.
- A two year permitting extension provision for existing permits issued within the last two years, allowing developers to continue to move forward with development projects when the market supports their construction.
- The reorganization and consolidation of a number of economic development agencies to promote greater efficiency - The bill allows for the Massachusetts Office of Business Development (MOBD) to contract with regional economic development organizations to establish a plan for business development that supports regionally based efforts to grow and retain existing businesses and attract new business to the Commonwealth. It also creates the Massachusetts Marketing Partnership, a new umbrella agency comprised of the state's marketing and trade offices aimed at marketing Massachusetts domestically and internally. Two quasi-public agencies that finance non-profits, MassDevelopment and the Health and Educational Facilities Authority (HEFA), will be merged to ensure greater transparency, efficiency, and equity in financing a critically important sector of our economy: higher education and health care.
- The \$5 million recapitalization of the Massachusetts Technology Development Corporation (MTDC). This recapitalization will help close the "capital gap" for start-up and expansion of early-stage technology companies operating in the Commonwealth of Massachusetts. MTDC has invested in many of Massachusetts's most promising new technology-based companies.
- The creation of a market rate Housing Development Incentive Program designed to promote increased residential growth, expanded diversity of housing supply, neighborhood stabilization and economic development within gateway municipalities by providing local and state tax incentives to rehabilitate buildings into market rate housing.

"I was proud to co-author this bill, which offers the most sweeping reforms to doing business in Massachusetts that we've seen in years, with Senate President Therese Murray," said Senator Karen Spilka, Senate Chair of the Joint Committee on Economic Development and Emerging Technologies. "The bold and innovative changes included in this bill will help propel our economic development efforts, intensify our economic growth, and put our economy on an even faster path to recovery. This legislation offers tangible assistance to businesses now so they can get people back to work. In the long term, by streamlining and clearly focusing our economic development activities, we will increase taxpayers' return on investment."

"This bill represents the commonwealth's continued effort to work with the business community to enhance economic development in the state. By streamlining our economic development agencies and providing incentives to encourage start-up companies and small businesses, we hope to make the commonwealth more competitive and attractive to different industries looking to locate and grow in

Massachusetts," said Representative Brian Dempsey, House Chair of the Joint Committee on Economic Development and Emerging Technologies."

"Main Street Massachusetts and consumers are very fortunate and appreciative to have another sales tax holiday on August 14-15," said Jon B. Hurst, President of the Retailers Association of Massachusetts.

"With consumers representing 70% of the economy, this is a very effective stimulus to bring important sales to local employers."

Learn more about how the Patrick-Murray Administration's agenda has led Massachusetts out of a global recession faster and stronger than the rest of the nation [here](#).