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MTF Summary of the Mass Wins Act

On July 9th, the House passed H.5562, *An Act Relative to Economic Development in the Commonwealth*, a $561 million economic development bill with 260 outside policy sections. The bill is $256 million (84 percent) more than the Governor's economic development bill, the Mass Wins Act, and has 143 additional outside policy sections. While the House did not include several notable provisions from the Governor's bill and introduced new proposals, the House retains the authorizations proposed by the Governor and includes several of the administration's more notable policy proposals.

This cover memo builds on our previous summary of the Governor's Mass Wins Act and provides a brief overview of the major elements of the House bill, how it differs from the Governor's bill, and a comprehensive section-by-section analysis.

Overview of New Capital Authorization Proposals

The House proposes $561 million in capital authorization across 13 programs, 5 more programs than the Governor. These new proposals dedicate funding for local economic development, assistance for Temporary Protected Status (TPS) workers, and housing development.

- **Local Economic Development Grants ($135.5 million) –** This line-item is entirely composed of earmarks to support economic development for cities and towns, ranging from expanding workforce development, improving water delivery systems, to enhancing community centers. These grants represent more than half of the spending difference between the Governor and House proposals.
- **Commercial Conversion Technical Assistance Grants ($50 million) –** This grant program provides $50 million in technical assistance grants for municipalities to convert commercial properties into residential housing.
- **Housing Development Remediation Grants ($50 million) –** This $50 million grant program supports housing development projects at formerly state-owned buildings that require asbestos, lead or hazardous material demolition.
- **Veterans Supportive Housing Program ($20 million) –** The bill directs $20 million to the Veterans Supportive Housing Program to support partnerships between non-profits and the Executive Office of Housing and Livable Communities (EOHLC) to develop and preserve a supportive housing program for homeless veterans and provide wraparound services.
- **TPS Workforce Supports ($500,000) –** In response to federal actions to rescind TPS status for Haitian and Syrian immigrants living in the United States, the House includes $500,000 in

grant funding to support alternative work authorizations for TPS holders who currently work in high-demand jobs in regions where employers struggle to attract workers.

The House bill expands the Governor's food science and agriculture grants program by including language that establishes a micro-grant tier for working farms that operate with less than 100 acres of land. These grants support agricultural operations in accessing funding for climate-adaptive upgrades, including improved irrigation systems, soil erosion controls, and crop protections.

Overview of New Policy Proposals

The House includes 161 unique outside sections and 102 outside policy sections from the Governor's bill. The House did not move forward with 17 of the Governor's outside policy sections, leaving out the Governor's notable proposals on adjusting garden leave clauses in non-compete agreements and requirements for the Pension Reserves Investment Management (PRIM) board to invest at least $50 million in early-stage or early-growth companies.

Tracking the Governor's Notable Policy Proposals in the House Mass Wins Bill

Policy	Governor	House
PRIM Seed Funding	X	
Reduced LLC Fees	X	X
Economic Utility Rates & Small Business Energy Tax Exemptions	X	X
Commercial Zoning Conversion	X	X
Site Plan Reviews	X	X
Climatetech Investment Trust Fund	X	X
Garden Leave Non-Compete Reforms	X	

The notable new outside policy sections in the House bill focus on supporting research and development at higher education institutions, housing on religiously owned land, regulating micromobility, enhancing tax credits, and adjusting professional licensure requirements.

- **Micromobility** (Sections 91 – 109, 148, 162 - 163) – The House proposes establishing a regulatory framework for micromobility devices (i.e., e-bikes and motorized scooters), including statutory definitions for different modes of micromobility, areas where motorized bikes can be operated, and the creation of a working group to develop recommendations for additional regulations.
- **Federal Matching, Fiscal Resilience and Debt Reduction Fund (Sections 37 – 40 ½,** 136-139, 144 ½) **–** As summarized by MTF in an earlier summary, the House and Senate have advanced elements of Governor Healey's DRIVE Act proposal through different bills. The House's version of the DRIVE Act was reported favorably by the House Committees on Economic Development and Emerging Technologies and Health Care Financing, but a standalone bill has not advanced. The House economic development bill includes elements of the DRIVE Act, including authorizing $200 million from the state's Federal Matching, Fiscal Resilience and Debt Reduction Fund to support public and private higher education

institutions impacted by federal funding cuts and delays for research and development funding.

- **Social Worker Licensure** (Sections 120I – 120N, 147C, 160A, 162A)– As highlighted in MTF's report on the behavioral health workforce, Massachusetts faces significant workforce shortages in the field, and Social Workers represent the greatest loss in the workforce since 2018. The House addresses this challenge by proposing a grant program for master's-level social work field placements in high-need areas, temporarily removing exam requirements for licensure of certified social workers through 2030, and awarding continuing education credits for professionals who provide 1-1 clinical supervision.
- **Tax Credits –** The House proposes changes to several existing tax credit programs related to housing development and entertainment to support economic development.
    - **Film Tax Credit** (Sections 63, 63A, 77, 77A, 89,109A, 157A) – The House expands the time period for receiving the film tax credit from 12 to 24 consecutive months if the filming organization employs workers in Massachusetts, spends at least $50,000 to film or produce a movie in the state, and requires the film to include a logo displaying "Proudly Made in Massachusetts".
    - **Housing Development Incentive Program (HDIP) Tax Credit** (Sections 58A, 66A, 77B)– The House proposes capping the HDIP tax credit at $5 million per project and raising the annual cap of available tax credits from $30 to $40 million in an effort to support housing production.
    - **Video Game Tax Credit** (Sections 70A, 86A, 86B, 86C, 89A, 157A, 157B) – The House establishes a new video game tax credit for up to 25 percent of payroll and development costs for companies that spend at least $50,000 in development costs over five years.

In the shared outside policy sections between the Governor and House bills, there are two notable differences; the House requires the Massachusetts Celan Energy Technology Center (MassCEC) to prioritize efforts and investments that leverage private investment in the offshore wind sector and the deauthorization of two accounts - a Massachusetts Technology Collaborative federal matching program for research and development, and a federal marching program for broadband infrastructure and digital equity - compared to nine deauthorizations in the Governor's bill.

Next Steps in the Legislative Process

On July 8th, the House passed the economic development bill, moving the legislation to the Senate, where it will be sent to the Committee on Ways and Means. Under the legislative rules for the session, the bill needs to be sent to the conference committee ahead of the July 31st deadline in order to be passed in a formal session. Bills that authorize spending require a roll call vote that can only occur during formal sessions. If the economic development bill is not reported out of conference committee by July 31st, it can still pass during informal sessions but would require a unanimous vote. While the last economic development bill was passed during informal sessions in 2024 under different rules, a conference committee was appointed two weeks before the July 31 deadline.