

# HOUSE . . . . . No. 4554

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## The Commonwealth of Massachusetts

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HOUSE OF REPRESENTATIVES, February 26, 2008.

The committee on Ways and Means, to whom were referred so much of the message from His Excellency the Governor recommending legislation relative to providing for the investment in and expansion of the life sciences industry in the Commonwealth (House, No. 4234) (as relates to sections 2, 3 and 4), and (as relates to sections 7 and 14 to 23 inclusive) and on the Bill relative to providing for the investment in and expansion of the life sciences industry in the Commonwealth (House, No. 4539) reports that the bill (House, No. 4539) ought to pass with an amendment substituting therefor the accompanying bill (House, No. 4554)

[Estimated Cost:	\$250,000,000.00
Tax Incentives:	\$250,000,000.00
Bond Authorization:	<u>\$500,000,000.00</u>
Total:	\$1,000,000,000.00].

For the committee,

ROBERT A. DELEO.

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Substituted by the House for a bill with the same title (House, No. 4539), and as amended by the House on February 27, as changed by the committee on Bills in the Third Reading, and as passed to be engrossed by the House. February 28, 2008.

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## The Commonwealth of Massachusetts

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In the Year Two Thousand and Eight.

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AN ACT PROVIDING FOR THE INVESTMENT IN AND EXPANSION OF THE LIFE SCIENCES INDUSTRY IN THE COMMONWEALTH.

1     *Whereas*, The deferred operation of this act would tend to  
2 defeat its purpose, which is to provide forthwith for the immediate  
3 investment in and expansion of the life sciences in the common-  
4 wealth, therefore it is hereby declared to be an emergency  
5 law, necessary for the immediate preservation of the public  
6 convenience.

*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. To provide for certain unanticipated obligations  
2 of the commonwealth, to provide for an alteration of purpose for  
3 current appropriations, and to meet certain requirements of law,  
4 the sums set forth in section 2A are hereby appropriated from the  
5 General Fund unless specifically designated otherwise, for the  
6 several purposes and subject to the conditions specified in this  
7 section, and subject to laws regulating the disbursement of public  
8 funds for the fiscal year ending June 30, 2008; provided, that  
9 notwithstanding any general or special law to the contrary, appro-  
10 priations made herein shall not revert and shall be available for  
11 expenditure until June 30, 2009. The sums shall be in addition to  
12 any amounts previously appropriated and made available for the  
13 purposes of these items.

1     NO SECTION 2.

1 SECTION 2A.

**EXECUTIVE OFFICE OF  
ADMINISTRATION AND FINANCE.**

*Small Business Capital Access Program.*

1599-7107	For a capital access reserve to provide loan guarantees to small businesses pursuant to section 57 of chapter 23A of the General Laws .....	5,000,000
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**EXECUTIVE OFFICE OF ENERGY AND  
ENVIRONMENTAL AFFAIRS.**

*Office of the Secretary.*

2030-1005	For an independent outside study to investigate the energy needs of the life science industry throughout the state; provided that the study shall examine how the life science industry can become more energy efficient, environmentally friendly, and cost effective including, but not limited to: (i) electricity aggregation, (ii) on site renewable generation, (iii) demand side management, including demand response, and (iv) cogeneration; and provided further, that the secretary shall submit a report detailing his findings together with legislation, if any, to the chairs of the house and senate committees on ways and means, the chairs of the joint committee on economic development and emerging technologies and the chairs of the joint committee on telecommunications, utilities and energy no later than March 31, 2009.....	100,000
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**EXECUTIVE OFFICE OF TRANSPORTATION AND  
PUBLIC WORKS.**

*Office of the Secretary.*

6000-0400	For an independent outside study to investigate the water infrastructure needs of the life science industry throughout the state; provided that the study shall include, but not be limited to, an examination of: (i) the state water supply, (ii) state waste water infrastructure, and (iii) the life science industry demand for additional water resources; and provided further, that the secretary shall submit a report detailing his findings together with legislation, if any, to the chairs of the house and senate committees on ways and means, the chairs of the joint committee on economic development and emerging technologies and the chairs of the joint committee on telecommunications, utilities and energy no later than March 31, 2009.....	100,000
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1 SECTION 2B. To provide for a program of infrastructure  
 2 development, improvements, and various capital investments the  
 3 sums set forth in section 2B for the several purposes and subject  
 4 to the conditions specified in this act, are hereby made available,  
 5 subject to the laws regulating the disbursement of public funds  
 6 and approval thereof.

**EXECUTIVE OFFICE FOR  
ADMINISTRATION AND FINANCE.**

*Office of the Secretary.*

1100-8000	<p>For the Massachusetts Opportunity Relocation and Expansion Jobs Capital Program for costs related to site remediation, preparation and ancillary infrastructure improvement projects; provided that the local executive government body and a for-profit entity involved in the project shall jointly submit a request for funding to the secretary of the executive office of housing and economic development. The requests to the secretary shall include sufficient documentation, including but not limited to, a project plan with specific goals and objectives that fully documents the proposed project and either that (i) the businesses associated with the project will generate substantial sales from outside the commonwealth and will result in the creation of a net increase of at least 100 new permanent full-time jobs in Massachusetts within 24 months upon receipt of a grant and commits that the jobs are to be maintained herein for at least a 5 year period or (ii) documents an economic benefit that the secretary determines is sufficiently exceptional; provided, however, that not less than \$12,900,000 shall be used to assist in water and waste water infrastructure improvements for the proposed cell culture manufacturing facility and purification plant containing office and lab facilities in the town of Framingham; and provided further, that \$12,600,000 shall be used to assist for the construction of supporting infrastructure, comprised of local arterial and connector roads for the I-93 interchange in the towns of Andover, Wilmington, and Tewksbury. Annually, on or before December 31, the secretary shall file a written report with the chairs of the house and senate committees on ways and means and the chairs of the joint committee on economic development and emerging technologies, which shall include detailed descriptions of any infrastructure improvement projects funded pursuant to this program and all funds expended for this purpose .....</p>	25,500,000
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**EXECUTIVE OFFICE OF  
HOUSING AND ECONOMIC DEVELOPMENT.**

*Massachusetts Life Sciences Center.*

7002-0015	<p>For the Massachusetts Life Sciences Investment Fund established pursuant to section 6 of chapter 231 of the General Laws; provided that \$120,000,000 shall be deposited in the Massachusetts Life Sciences Opportunity Relocation and Expansion Jobs Capital Program Fund established pursuant to section 9 of said chapter 231 of the General Laws; provided, however, that not less than \$6,500,000 shall be expended for the design, construction, and development for a life science incubator building at the William Stanley Business Park in the city of Pittsfield and not less than \$10,000,000 shall be expended for the nano and biomanufacturing facility at the University of Massachusetts</p>
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Lowell and \$5,000,000 shall be expended for the Pioneer Valley Life Science Institute; provided further, that \$45,000,000 shall be deposited in the Massachusetts Life Sciences Bridge Loan Holding Fund established pursuant to section 44 of chapter 23G of the General Laws; provided, however, that within 10 days of said transfer the Massachusetts development finance agency shall transfer said \$45,000,000 to the Massachusetts Life Sciences Bridge Loan Fund established pursuant to section 10 of said chapter 23I of the General Laws; provided further, that \$30,000,000 shall be deposited in the Regional Technology and Innovation Centers Capital Fund established pursuant to section 11 of said chapter 23I of the General Laws; provided further, that \$30,000,000 shall be deposited in the Massachusetts Life Sciences Education Fund established pursuant to section 12 of said chapter 23I of the General Laws; provided further, that \$49,500,000 shall be expended for the design, construction, development, renovation, expansion and related infrastructure improvements for a science and innovation center to be constructed at the Massachusetts College of Liberal Arts; provided, however, that said funds shall not be used for faculty salaries; provided further, that \$90,000,000 shall be expended for the design, construction, development and related infrastructure improvements for an advanced therapeutics cluster to be constructed at the University of Massachusetts Medical School in Worcester, which shall be named the Albert “Albie” Sherman Center, and shall include an RNAi Institute, stem cell biology cluster and gene therapy cluster; provided, however, that said funds shall not be used for faculty salaries; provided further, that \$95,000,000 shall be expended for the design, construction, development and related infrastructure improvements of a life science laboratory research center complex including a laboratory research facility with state-of-the-art equipment offering research and development facilities for collaboration with industry partners to develop methods and technologies that can be translated into new commercial services and products at the University of Massachusetts at Amherst; provided, however, that said funds shall not be used for faculty salaries; provided further, that funds appropriated herein for the design, construction, development and related infrastructure improvements for an advanced therapeutics cluster to be constructed at the University of Massachusetts Medical School in Worcester and for the design, construction, development and related infrastructure improvements of a life science laboratory research center complex at the University of Massachusetts at Amherst shall be transferred to the University of Massachusetts Building Authority for these infrastructure improvements and design and construction; provided further, that no funds shall be transferred from this item for a phase of construction until the secretary of administration and finance certifies in writing to the board of the Massachusetts Life Sciences Center established pursuant to

section 3 of chapter 231 of the General Laws and to the house and senate committees on ways and means that all sources of funding for that phase of the facility have been committed and are available as necessary for commencement of design and construction; provided further, that said written certification shall include copies of all business plans, letters of financial commitment and other documentation as said secretary and said board deem necessary to certify that all other sources of funding have been secured; provided further, that the University of Massachusetts Building Authority shall submit to the clerks of the house and senate a report which shall include the following: (1) a detailed list of all private donors and amounts donated for each facility, (2) a plan for design, construction, operation and maintenance and all associated costs and revenues of the facility, including the projected timeline for the completion of all phases of said projects, and (3) a description of proposed title to any and all assets associated with each facility; provided further, that said secretary and said board shall not expend any funds until such report is filed with the house and senate committees on ways and means; provided further, that notwithstanding any general or special law to the contrary in the construction and financing of said advanced therapeutics cluster and said life science laboratory research center complex, said authority may use an alternative mode of procurement of design and construction, including but not limited to, sequential construction management, turnkey, design/build procurement and the phasing of such procurement, including, but not limited to, approval of design and construction stages as separate for combined phases; provided further, that said building authority shall require the assurance of labor harmony during all phases of development, including construction, reconstruction and capital and routine maintenance and shall provide adequate remedies to address the failure to maintain labor harmony which shall include, but not be limited to, assessment of liquidated damages and contract termination; and provided further, that the payment of prevailing wages, in accordance with sections 26 to 27F, inclusive, of chapter 149 of the General Laws, shall be required for all phases of said projects; and provided further, that \$11,400,000 shall be expended as a grant to the University of Massachusetts at Dartmouth for the acquisition of land pursuant to section 26 of this act; provided further, that not less than \$2,500,000 shall be expended for the purpose of establishing a technology investment program, which shall be developed and administered by the executive office of health and human services, for community hospitals, community health centers and visiting nurse associations for the acquisition or operating costs of electronic medical records and computerized physician order entry systems with a \$500,000 individual provider limit per grant round .....

474,500,000

1 SECTION 3. Chapter 23G of the General Laws is hereby  
2 amended by adding the following section:—

3 Section 44. There is hereby established within the agency a  
4 separate fund to be known as the Massachusetts Life Sciences  
5 Bridge Loan Holding Fund, hereinafter in this section referred to  
6 as the fund. The Agency shall hold the fund in an account separate  
7 from other funds or accounts. There shall be credited to the fund  
8 any revenue from appropriations or other monies authorized by  
9 the general court and specifically designated to be credited  
10 thereto. Monies deposited in the fund that are unexpended at the  
11 end of the fiscal year shall not revert to the General Fund and  
12 shall be available for expenditure in the subsequent fiscal year.

1 SECTION 4. Chapter 23I of the General Laws is hereby  
2 amended by striking out section 2, as appearing in section 24 of  
3 chapter 123 of the acts of 2006, and inserting in place thereof the  
4 following section:—

5 Section 2. As used in this chapter the following words shall,  
6 unless the context clearly requires otherwise, have the following  
7 meanings:—

8 “Board”, the board of directors of the Massachusetts Life Sci-  
9 ences Center.

10 “Center”, the Massachusetts Life Sciences Center established  
11 pursuant to section 3.

12 “Company”, a business corporation, partnership, firm, unincor-  
13 porated association or other entity engaged or proposing to engage  
14 in economic activity within the commonwealth, and any affiliate  
15 thereof, which is, or the members of which are, subject to taxation  
16 under chapter 62, 63, 64H or 64I.

17 “Department”, the department of revenue established pursuant  
18 to section 1 of chapter 14.

19 “Directors”, the board of directors of the Massachusetts Life  
20 Sciences Center.

21 “Eligible new job”, shall be deemed created in the common-  
22 wealth on the first day for which Massachusetts personal income  
23 tax withholding is required in connection with the compensation  
24 paid to the employee employed by a life sciences company or the  
25 first day for which Massachusetts estimated tax payments are  
26 payable by a partner of a partnership constituting a life sciences

27 company; provided, however, that a job shall not be considered an  
28 eligible new job pursuant to this chapter if the job replaces a job  
29 elsewhere in the commonwealth; provided further, that the term  
30 “eligible new job” may be more fully defined by rules, regulations  
31 or guidelines promulgated by the center pursuant to section 5,  
32 which may include, among other things, retained jobs.

33 “Enterprise”, a small business, as defined in chapter 23A or  
34 chapter 40F, which has its principal place of business in the com-  
35 monwealth and is, or proposes to be, engaged in research and  
36 development or manufacturing in the field of life sciences.

37 “Equity investment”, (a) a share in a life sciences company  
38 certified pursuant to section 5, whether or not transferable or  
39 denominated stock, or similar security; (b) interest of a limited  
40 partner in a limited partnership; or (c) warrant or right, other than  
41 a right to convert, to purchase, sell, or subscribe to a share, secu-  
42 rity, or interest of a kind specified in subparagraph (a) or (b);  
43 provided, however, that when making an equity investment in an  
44 enterprise pursuant to section 7 the center shall receive no less  
45 than 3 percent of the equity in said enterprise.

46 “Federal agency”, the United States of America, the President  
47 of the United States of America, and any department of or corpo-  
48 ration, agency or instrumentality heretofore or hereafter created,  
49 designated or established by the United States of America.

50 “Life sciences”, basic and applied sciences, including the  
51 research and applications from core scientific fields such as  
52 biology, chemistry, engineering, information technology, mathe-  
53 matics and physics that may be integrated to expand the under-  
54 standing of human physiology and have the potential to lead to  
55 medical advances or therapeutic applications.

56 “Life sciences company”, a business corporation, partnership,  
57 firm, unincorporated association or other entity engaged in life  
58 sciences research, development, manufacturing, or commercializa-  
59 tion in the commonwealth, and any affiliate thereof, which is, or  
60 the members of which are, subject to taxation under chapter 62,  
61 63, 64H or 64I.

62 “Life sciences research”, research in the life sciences,  
63 including, but not limited to, agricultural biotechnology, bio-  
64 generics, bioinformatics, biomedical engineering, biotechnology,  
65 biopharmaceuticals, chemical synthesis, diagnostics, genomics,

66 image analysis, medical devices, nanotechnology, natural product  
67 pharmaceuticals, proteomics, regenerative medicine, RNA inter-  
68 ference, stem cell research and veterinary science.

69 “New revenue”, revenue derived from a life sciences company  
70 by the creation of any eligible new jobs or by new commercial  
71 activity that would otherwise not have taken place in the common-  
72 wealth as each may be more fully defined by any rules, regula-  
73 tions or guidelines promulgated by the center pursuant to  
74 section 5.

75 “Non-profit organization”, an organization exempt from taxa-  
76 tion pursuant to 26 U.S.C. 501(c)(3).

77 “Person”, any natural or corporate person, including bodies  
78 politic and corporate, public departments, offices, agencies,  
79 authorities and political subdivisions of the commonwealth, cor-  
80 porations, trusts, societies, associations, and partnerships and sub-  
81 ordinate instrumentalities of any one or more political  
82 subdivisions of the commonwealth.

83 “Program”, the commonwealth life sciences investment pro-  
84 gram established pursuant to section 5.

85 “Professional investor”, any bank, bank holding company, sav-  
86 ings institution, trust company, insurance company, investment  
87 company registered under the Federal Investment Company Act of  
88 1940, pension or profit-sharing trust or other financial institution  
89 or institutional buyer, licensee under the Federal Small Business  
90 Investment Act of 1958, 15 U.S.C. §638 et. seq., or any person,  
91 partnership or other entity of whose resources a substantial  
92 amount is dedicated to investing in securities or debt instruments  
93 and whose net worth exceeds \$250,000.

94 “Public body”, the commonwealth, and any body politic and  
95 corporate of the commonwealth, including any political subdivi-  
96 sion or instrumentality thereof, which is empowered to issue  
97 bonds secured by a pledge of revenues or other special funds or  
98 assets, including any municipality or district for which the  
99 issuance of debt is governed or limited by the provisions of  
100 chapter 44.

101 “Qualified security”, any note, stock, treasury stock bond,  
102 debenture, evidence of indebtedness, certificate of interest or par-  
103 ticipation in any profit-sharing agreement, preorganization certifi-  
104 cate or subscription, transferable share, investment contract,

105 certificate of deposit for a security, certificate of interest or par-  
106 ticipation in a patent or application therefor, or in royalty or other  
107 payments under such a patent or application, or, in general, any  
108 interest or instrument commonly known as a “security” or any  
109 certificate for, receipt for, guarantee of, or option, warrant or right  
110 to subscribe to or purchase any of the foregoing, specifically  
111 including debt of and partnership interest in, as a general or lim-  
112 ited partner, any general or limited liability partnership organized  
113 under the laws of the commonwealth, and debt of and membership  
114 interest in any limited liability company organized under the laws  
115 of the commonwealth.

116 “Revenue”, any receipts, fees, rentals or other payments or  
117 income received or to be received on account of obligations to the  
118 center including, without limitation, income on account of the  
119 leasing, mortgaging, sale or other disposition of a project or pro-  
120 ceeds of a loan made by the center in connection with any project  
121 and also including amounts in reserves or held in other funds or  
122 accounts established in connection with the issuance of bonds and  
123 the proceeds of any investments thereof, proceeds of foreclosure  
124 and any other fees, charges or other income received or receivable  
125 by the center.

126 “Seed capital”, financing that is provided for the development,  
127 refinement and commercialization of a product or process and  
128 other working capital needs.

129 “Taxpayer”, a life sciences company or person subject to the  
130 taxes imposed by chapter 62, 63, 64H or 64I.

131 “Vocational technical school”, shall mean the Assabet Valley  
132 Regional Vocational School District; Bay Path Regional Voca-  
133 tional Technical High School; Blackstone Valley Regional  
134 Vocational Technical High School; Bristol County Agricultural  
135 High School; Bristol-Plymouth Regional Technical School Dis-  
136 trict; Blue Hills Regional Technical High School; Cape Cod  
137 Regional Technical High School; Chicopee Comprehensive High  
138 School; Newton North High School, Putnam Vocational Technical  
139 School, Westfield Vocational High School; Heath Careers  
140 Academy in Boston; Community Academy of Science and Health  
141 in Boston; Urban Science Academy in Boston; Brighton High  
142 School in Boston; Diman Regional Vocational Technical High  
143 School; Franklin County Technical School; Essex Agricultural

144 and Technical Regional High School; Greater Lawrence Technical  
145 School; Greater Lowell Technical High School; Greater New Bed-  
146 ford Regional Vocational Technical High School; Center for Tech-  
147 nical Education at Leominster High School; J. P. Keefe Technical  
148 School; Lower Pioneer Valley Career and Technical Education  
149 Center; Lynn Vocational Technical Institute; Madison Park Tech-  
150 nical Vocational High School; Minuteman Technical High School;  
151 McCann Technical School; Montachusett Regional Vocational  
152 Technical School; Nashoba Valley Technical High School; Nor-  
153 folk County Agricultural High School; Northeast Metropolitan  
154 Regional Vocational School; North Shore Technical High School;  
155 Old Colony Regional Vocational Technical High School;  
156 Pathfinder Regional Vocational Technical High School; Rindge  
157 School of Technical Arts; Shawsheen Valley Technical High  
158 School; South Shore Regional Vocational Technical High School  
159 District; Southeastern Regional Vocational Technical High  
160 School; Smith Vocational and Agricultural High School; Silver  
161 Lake Senior High School; Tantasqua Technical School; TriCounty  
162 Regional Vocational Technical School District; Upper Cape Cod  
163 Regional Technical School; William J. Dean Technical High  
164 School; Whittier Regional Vocational Technical High School; or  
165 the Worcester Technical High School.

1 SECTION 5. Section 3 of Chapter 23I, as so appearing, is  
2 hereby amended by striking out subsection (b) and inserting in  
3 place thereof the following subsection:—

4 (b) The center shall be governed and its corporate powers exer-  
5 cised by a board of directors consisting of the secretary of the  
6 executive office of administration and finance or his designee, the  
7 secretary of the executive office of housing and economic devel-  
8 opment or his designee, the president of the University of Massa-  
9 chusetts or his designee, and 6 members who shall be appointed  
10 by the governor, 1 of whom shall be a physician licensed to prac-  
11 tice medicine in the commonwealth and affiliated with an acad-  
12 emic medical center, 1 of whom shall be a chief executive officer  
13 of a Massachusetts based life sciences corporation which is a  
14 member of the Life Sciences Collaborative, 1 of whom shall be a  
15 researcher involved in the commercialization of biotechnology,  
16 pharmaceuticals or medical diagnostic products and 1 of whom

17 shall be a venture capitalist with significant experience in the life  
18 sciences sector, 1 of whom shall be a member of the Massachu-  
19 setts Biotechnology Council’s board of directors, and 1 of whom  
20 shall be the CEO of a company engaged in the manufacture of life  
21 sciences products or his designee. Each appointed member shall  
22 serve a term of 5 years. The secretary of the executive office of  
23 administration and finance and the secretary of the executive  
24 office of housing and economic development shall serve as co-  
25 chairs of the board. Any person appointed to fill a vacancy in the  
26 office of a member of the board shall be appointed in a like  
27 manner and shall serve for only the unexpired term of such  
28 member. Any member shall be eligible for reappointment. Any  
29 member may be removed from his appointment by the governor  
30 for cause.

1 SECTION 6. The first sentence of subsection (c) of said  
2 section 3 of said chapter 23I, as so appearing, is hereby amended  
3 by striking out the word “Three” and inserting in place thereof the  
4 following word:— Four

1 SECTION 7. The first sentence of subsection (g) of said  
2 section 3 of said chapter 23I, as so appearing, is hereby amended  
3 by striking out the word “chairperson” and inserting in place  
4 thereof the following word:— treasurer

1 SECTION 8. Said section 3 of said chapter 23I, as so  
2 appearing, is hereby further amended by adding the following  
3 subsection:—

4 (m) The board shall be advised by a 5-member regional advi-  
5 sory committee, whose members shall consist of the executive  
6 directors of the 5 regional technology and innovation centers  
7 established pursuant to section 13.

1 SECTION 9. Clause (15) of section 4 of said chapter 23I, as so  
2 appearing, is hereby amended by striking out the words “all as  
3 provided in section 8”.

1 SECTION 10. Said section 4 of said chapter 23I, as so  
2 appearing, is hereby further amended by inserting after the word

3 “purposes” the following words:— ; provided however, that all  
4 applications shall be reviewed by the regional technology and  
5 innovation centers, established pursuant to section 13, prior to  
6 receipt by the center;

7 (30) to operate as a licensed small business investment corpo-  
8 ration pursuant to the provisions of the Small Business Investment  
9 Act of 1958, 15 U.S.C. § 661 et seq., as amended from time to  
10 time; provided, however, that as an alternative, the board may  
11 establish a subsidiary corporation to operate as a licensed small  
12 business investment corporation pursuant to said Small Business  
13 Investment Act of 1958, 15 U.S.C. § 661 et seq., and to make  
14 investments in qualified securities of enterprises through such  
15 subsidiary;

16 (31) to track and report to the general court on federal initia-  
17 tives that have an impact on life sciences companies doing busi-  
18 ness in the commonwealth;

19 (32) to create awards programs to acknowledge successful  
20 companies, public and private institutions and programs in  
21 industry-specific areas, as determined by the center;

22 (33) to promulgate a code of ethics to address collaborative  
23 state and business research activities.

1 SECTION 11. Said chapter 23I is hereby further amended by  
2 striking out sections 5 to 8, inclusive, as so appearing, and  
3 inserting in place thereof the following 14 sections:—

4 Section 5. (a) There shall be established a commonwealth life  
5 sciences investment program which shall be administered by the  
6 center. The purpose of the program shall be to expand life  
7 sciences related employment opportunities in the commonwealth  
8 by supporting and stimulating research and manufacturing in the  
9 life sciences. Life sciences companies certified pursuant to sub-  
10 section (b) shall be eligible for participation in the program.

11 (b)(1) The center shall, upon a majority vote of the board,  
12 certify a life sciences company as a commonwealth certified life  
13 sciences company upon: (i) the life sciences company agreeing to  
14 establish or maintain its United States corporate headquarters in  
15 the commonwealth; (ii) the life sciences company agreeing to  
16 create a fixed amount of eligible new jobs as determined by the  
17 center; provided, however, that said eligible new jobs shall be in

18 one of the following areas: research and development, commercial  
19 operations or manufacturing; or (iii) the life sciences company  
20 agreeing to generate new state tax revenue by a percentage or an  
21 amount as determined by the center.

22 (2) The center may, upon a majority vote of the board, certify a  
23 life sciences company as a commonwealth certified life sciences  
24 company pursuant to the rules, regulations or guidelines promul-  
25 gated pursuant to subsection (e); provided, however, that the  
26 center shall make no such certification unless: (i) the center finds  
27 that said certification is such that a benefit to the economy of the  
28 commonwealth may reasonably be expected therefrom; and pro-  
29 vided further, that in weighing the benefit to the economy of the  
30 commonwealth the center shall consider the following: (a) the  
31 appropriateness of any proposed certification; (b) whether the life  
32 sciences company has sufficient business contacts with the com-  
33 monwealth as evidenced by its business activity within the  
34 commonwealth including, but not limited to, the number of full  
35 time employees employed in the commonwealth; (c) whether the  
36 life sciences company has significant potential to expand life  
37 sciences related employment opportunities in the commonwealth;  
38 (d) the life sciences company's potential to enhance technological  
39 advancements in the life sciences; (e) the life sciences company's  
40 potential to offer a breakthrough medical treatment for a particular  
41 disease, or medical condition; (f) the life sciences company's  
42 potential for leveraging additional funding, or attracting additional  
43 resources to the commonwealth; (g) the life sciences company's  
44 potential to stimulate life sciences manufacturing in the common-  
45 wealth; and (h) evidence of potential royalty income and contrac-  
46 tual means to recapture such income for the purposes of this  
47 chapter, as the center considers appropriate.

48 (c) A commonwealth certified life sciences company may,  
49 upon a majority vote of the board, be eligible for the following  
50 benefits which shall be awarded by the board on a competitive  
51 basis: (1) participation in the life sciences tax incentive program  
52 established pursuant to subsection (d); (2) grants, loans or other  
53 investments from the Massachusetts Life Sciences Investment  
54 Fund established pursuant to section 6; (3) equity investments  
55 from the Dr. Craig C. Mello Small Business Equity Investment  
56 Fund established pursuant to section 7; (4) grants from the Massa-

57 chusetts Life Sciences Opportunity Relocation and Expansion  
58 Jobs Capital Program Fund established pursuant to section 9;  
59 (5) grants, loans or other investments from the Massachusetts Life  
60 Sciences Bridge Loan Fund established pursuant to section 10;  
61 (6) grants from the Regional Technology and Innovation Center  
62 Fund established pursuant to section 11; (7) assistance from the  
63 regional technology and innovation centers established pursuant  
64 to section 13; (8) assistance from the center in obtaining designa-  
65 tion as a certified project in an economic opportunity area pur-  
66 suant to section 3F of chapter 23A; (9) assistance from the center  
67 in accessing economic incentive programs within the Massachu-  
68 setts office of business development, including assistance in  
69 accessing the technical, human, financial, training, educational  
70 and site-finding resources necessary to expand or locate in Massa-  
71 chusetts; (10) assistance from the center in obtaining federal  
72 grants; (11) assistance from the center in facilitating clinical trials  
73 where feasible; (12) preference for partnership with state universi-  
74 ties for basic research; (13) preference for receipt of funding for  
75 life science job training programs administered by the center in  
76 consultation with the department of labor and workforce develop-  
77 ment; and (14) preference for pre-permitted industrial land as  
78 identified by the Massachusetts development finance agency.

79 (d) There shall be a life sciences tax incentive program. The  
80 department, in consultation with the center, may annually autho-  
81 rize incentives, including incentives carried forward, refunded or  
82 transferred, pursuant to subsection (m) of section 6 of chapter 62,  
83 subsection (n) of said section 6 of said chapter 62, paragraph 17 of  
84 section 30 of chapter 63, section 31M of said chapter 63, para-  
85 graph 6 of subsection (f) of section 38 of said chapter 63, the  
86 fourth paragraph of section 38C of said chapter 63, subsection (j)  
87 of section 38M of chapter 63, section 38U of said chapter 63,  
88 section 38V of said chapter 63, the third paragraph of section 42B  
89 of said chapter 63, and subsection (xx) of section 6 of chapter 64H  
90 in a cumulative amount, including the current year cost of incen-  
91 tives allowed in previous years, not to exceed \$25,000,000 annu-  
92 ally; provided, further, that the department may in consultation  
93 with the board, limit any incentive or incentives to a specific  
94 dollar amount or time duration, or in any other manner deemed  
95 appropriate by the department; provided, however, that the depart-

96 ment shall only allocate said incentives among commonwealth  
97 certified life sciences companies certified by the board pursuant to  
98 subsection (b) and awarded said tax incentives by the board pur-  
99 suant to subsection (c).

100 (e) Certification granted pursuant to subsection (b) shall be  
101 valid for the calendar year in which said certification was granted.  
102 Life sciences companies certified pursuant to subsection (b) may,  
103 upon a majority vote of the board, be eligible for recertification in  
104 subsequent years; provided, however, that the board may withhold  
105 recertification upon finding that a life sciences company has failed  
106 to satisfy the requirements of its initial certification as determined  
107 by the board.

108 (f) The board, in consultation with the executive office of  
109 administration and finance and the executive office of housing and  
110 economic development, shall promulgate rules, regulations or  
111 guidelines relative to the administration and enforcement of this  
112 section.

113 Section 6. (a) There is hereby established and placed within the  
114 center a fund to be known as the Massachusetts Life Sciences  
115 Investment Fund, hereinafter in this section referred to as the  
116 fund, to be held by the center separate and apart from its other  
117 funds, to finance the activities of the center. The fund shall be  
118 credited any appropriations, bond proceeds or other monies autho-  
119 rized by the general court and specifically designated to be cred-  
120 ited thereto, such additional funds as are subject to the direction  
121 and control of the center, any pension funds, federal grants or  
122 loans, royalties or private investment capital which may properly  
123 be applied in furtherance of the objectives of the fund, any pro-  
124 ceeds from the sale of qualified investments secured or held by  
125 the fund, any fees and charges imposed relative to the making of  
126 qualified investments, as the same shall be defined by the center,  
127 secured or held by the fund, and any other monies which may be  
128 available to the center for the purposes of the fund from any other  
129 source or sources. Any revenues, deposits, receipts, or funds  
130 received through the receipt of royalties, interest, dividends, or the  
131 sale of equity instruments, inclusive, shall be deposited in the  
132 fund, and shall be available expressly to the center for the pur-  
133 poses described in this section, without further appropriation.

134 (b) The center shall invest and reinvest the fund and the  
135 income thereof, except as hereinafter provided, only as follows:  
136 (1) in the making of qualified investments approved by the board;  
137 (2) in defraying the ordinary and necessary expenses of adminis-  
138 tration and operation associated with the center; provided, how-  
139 ever, that said administrative and operational expenses shall not  
140 exceed 10 per cent of the maximum amount authorized to be  
141 expended from the fund in a fiscal year; (3) in the investment of  
142 any funds not required for immediate disbursement in the  
143 purchase of such securities as may be lawful investments for fidu-  
144 ciaries in the commonwealth; (4) for the payment of binding  
145 obligations associated with such qualified investments which are  
146 secured by the fund as the same become payable; and (5) for the  
147 payment of principal or interest on qualified investments secured  
148 by the fund or the payment of any redemption premium required  
149 to be paid when such qualified investments are redeemed prior to  
150 maturity; provided, however, that monies in the fund shall not be  
151 withdrawn at any time in such an amount as would reduce the  
152 amount of the fund to less than the minimum requirement thereof  
153 established by the board, except for the purpose of paying binding  
154 obligations associated with qualified investments which are  
155 secured by the fund as the same become payable.

156 (c) The fund shall be held and applied by the center, subject to  
157 the approval of the board, to make qualified investments, grants,  
158 research and other funding, and loans, designed to advance the  
159 following public purposes: (1) to stimulate increased financing for  
160 the expansion of research and development in the area of life sci-  
161 ences research in the commonwealth by leveraging private  
162 financing for highly productive state-of-the-art research and  
163 development facilities, equipment and instrumentation and by pro-  
164 viding financing related thereto including, without limitation,  
165 financing of the construction or expansion of such new facilities;  
166 (2) to make targeted investments, including research funding, and  
167 funding for the development of devices, drugs or therapeutics in  
168 the area of life sciences research and to spur manufacturing activi-  
169 ties for new or existing advanced technologies and life sciences  
170 research in the commonwealth; (3) to make matching grants to  
171 universities, colleges, public instrumentalities, companies and  
172 other entities to induce the federal government, industry and other

173 grant-funding sources to fund the expansion of research and  
174 development in the areas of life sciences research in the common-  
175 wealth, and to thereby serve to increase and strengthen the com-  
176 mercial and industrial base of the commonwealth and the  
177 economic development and employment opportunities related  
178 thereto; (4) to provide bridge financing to universities, colleges,  
179 public instrumentalities, companies and other entities in anticipa-  
180 tion of the receipt of grants of the type described in clause (2)  
181 awarded or to be awarded by the federal government, industry or  
182 other sources; (5) to provide fellowships and grants; (6) to provide  
183 work force training grants to prepare individuals for life sciences  
184 careers; and (7) to otherwise further the public purposes set forth  
185 herein.

186 The center shall make no such qualified investment pursuant to  
187 clause (1) of subsection (b) unless: (1) said investment has been  
188 approved by a majority vote of the board; (2) the recipient is a life  
189 sciences company certified pursuant to section 5; (3) the center  
190 finds that, to the extent possible, said qualified investment is such  
191 that a definite benefit to the economy of the commonwealth may  
192 reasonably be expected therefrom; provided, further, that, in eval-  
193 uating any request or application for funding, the center shall con-  
194 sider the following: (i) the appropriateness of any proposed  
195 project; (ii) whether the project has significant potential to expand  
196 life sciences related employment opportunities in the common-  
197 wealth; (iii) the project's potential to enhance technological  
198 advancements in the life sciences; (iv) the project's potential to  
199 offer a breakthrough medical treatment for a particular disease, or  
200 medical condition; (v) the project's potential for leveraging addi-  
201 tional funding, or attracting resources to the commonwealth;  
202 (vi) the project's potential to stimulate life sciences manufacturing  
203 in the commonwealth; and (vii) evidence of potential royalty  
204 income and contractual means to recapture such income for the  
205 purposes of this chapter, as the center considers appropriate; and  
206 (4) said qualified investment is in conformity with rules adopted  
207 by the center and approved by the board.

208 Said rules shall also set the terms and conditions for invest-  
209 ments which are to constitute qualified investments, which may  
210 include, without limitation, loans, guarantees, loan insurance or  
211 reinsurance, equity investments, grants made only pursuant to

212 clause (3) of subsection (c), or other financing or credit enhancing  
213 devices, as made by the center directly or on its own behalf or in  
214 conjunction with other public instrumentalities, or private institu-  
215 tions, or the federal government; provided further, that said rules  
216 and regulations shall provide that each such qualified investment  
217 made pursuant to clauses (1) and (2) of said subsection (c) shall  
218 involve a transaction with the participation of at least one at-risk  
219 private party.

220 Said rules shall, in addition, set forth the terms, procedures,  
221 standards and conditions which the center shall employ to identify  
222 qualified applications, process applications, make investment  
223 determinations, safeguard the fund, advance the objective of  
224 increasing employment opportunities for the citizens of the com-  
225 monwealth, oversee the progress of qualified investments, and  
226 secure the participation of other public instrumentalities, private  
227 institutions, or the federal government in such qualified invest-  
228 ments; provided, further that said rules shall provide for negoti-  
229 ated intellectual property agreements between the center and each  
230 recipient of a qualified investment which shall include the terms  
231 and conditions by which the fund's support thereof could be  
232 reduced or withdrawn.

233 (d) The center may solicit investments by private institutions  
234 or investors in the activities of the fund and may reach agreements  
235 with such private institutions or investors regarding the terms of  
236 any such investments including, without limitation, the rights of  
237 such investors to participate in the income or appropriation of the  
238 fund. In furtherance of the objective of securing investments by  
239 private institutions or investors in the activities of the fund as set  
240 forth in the preceding sentence, the center may develop a proposal  
241 relative to the creation of a separate investment entity which  
242 would allow for the commingling of the resources of the fund with  
243 the maximum participation by such private institutions or  
244 investors in a manner which is consistent with the public purpose  
245 of the fund and under terms and conditions calculated to protect  
246 and preserve the assets of the fund.

247 (e) Copies of the approved rules, and any modifications  
248 thereto, shall be submitted to the chairs of the house and senate  
249 committees on ways and means, the chairs of the joint committee  
250 on economic development and emerging technologies, and the  
251 clerks of the house of representatives and senate.

252 (f) Qualified investment transactions undertaken by the center  
253 pursuant to the provisions of this section shall not, except as spec-  
254 ified in this chapter, be subject to the provisions of chapter 175, or  
255 any successor thereto, and shall be payable solely from the Massa-  
256 chusetts Life Sciences Investment Fund, established by this  
257 section and shall not constitute a debt or pledge of the faith and  
258 credit of the commonwealth, the center or any subdivision of the  
259 commonwealth.

260 (g) The center shall not at any time make expenditure from or  
261 commitment of the assets of the fund, including, without limita-  
262 tion, the making of qualified investments secured by the fund, if  
263 following the making of said qualified investment, the amount of  
264 the fund shall be less than the minimum requirement established  
265 by the board.

266 Section 7. (a) There is hereby established and placed within the  
267 center a fund to be known as the Dr. Craig C. Mello Small Busi-  
268 ness Equity Investment Fund, hereinafter in this section referred  
269 to as the fund, to be held by the center separate and apart from its  
270 other funds. The fund shall be credited any appropriations, bond  
271 proceeds or other monies authorized by the general court and  
272 specifically designated to be credited thereto, such additional  
273 funds as are subject to the direction and control of the center, any  
274 pension funds, federal grants or loans, royalties or private invest-  
275 ment capital which may properly be applied in furtherance of the  
276 objectives of the fund, any proceeds from the sale of qualified  
277 investments secured or held by the fund, any fees and charges  
278 imposed relative to the making of qualified investments, as the  
279 same shall be defined by the center, secured or held by the fund,  
280 and any other monies which may be available to the center for the  
281 purposes of the fund from any other source or sources. Any rev-  
282 enues, deposits, receipts, or funds received through the receipt of  
283 royalties, interest, dividends, or the sale of equity instruments,  
284 inclusive, shall be deposited in the fund, and shall be available  
285 expressly to the center for the purposes described in this section,  
286 without further appropriation.

287 (b) The center shall invest and reinvest the fund and the  
288 income thereof, except as hereinafter provided, only as follows:  
289 (1) in the making of qualified equity investments pursuant to sub-  
290 section (c); (2) in defraying the ordinary and necessary expenses

291 of administration and operation associated with the fund; pro-  
292 vided, however, that said administrative and operational expenses  
293 shall not exceed 10 per cent of the total maximum amount autho-  
294 rized to be expended from the fund in a fiscal year; (3) in the  
295 investment of any funds not required for immediate disbursement  
296 in the purchase of such securities as may be lawful investments  
297 for fiduciaries in the commonwealth; (4) for the payment of  
298 binding obligations associated with such qualified investments  
299 which are secured by the fund as the same become payable; and  
300 (5) for the payment of principal or interest on qualified invest-  
301 ments secured by the fund or the payment of any redemption pre-  
302 mium required to be paid when such qualified investments are  
303 redeemed prior to maturity; provided, however, that monies in the  
304 fund shall not be withdrawn at any time in such an amount as  
305 would reduce the amount of the fund to less than the minimum  
306 requirement thereof established by the board, except for the pur-  
307 pose of paying binding obligations associated with qualified  
308 investments which are secured by the fund as the same become  
309 payable.

310 (c) The fund shall be held and applied by the center to make  
311 qualified equity investments in enterprises seeking to raise seed  
312 capital; provided, however, that said qualified equity investments  
313 shall not exceed \$250,000 in any one enterprise or \$4,000,000 in  
314 the aggregate in any one fiscal year; and provided further, that the  
315 center shall make no such qualified equity investments unless:  
316 (1) said investment has been approved by a majority vote of the  
317 board; (2) the recipient is a life sciences company certified pur-  
318 suant to section 5; (3) the center finds that, to the extent possible,  
319 said qualified equity investment is such that a definite benefit to  
320 the economy of the commonwealth may reasonably be expected  
321 therefrom; provided, further, that, in evaluating any request or  
322 application for funding, the center shall consider the following:  
323 (i) the proceeds of the equity investment will only be used to  
324 cover the seed capital needs of the enterprise except as hereinafter  
325 authorized; (ii) the enterprise has a reasonable chance of success;  
326 (iii) center participation is necessary to the success of the enter-  
327 prise because funding for the enterprise is unavailable in the tradi-  
328 tional capital markets or contingent upon matching funds, or  
329 because funding has been offered on terms that would substan-

330 tially hinder the success of the enterprise; (iv) the enterprise has  
331 the reasonable potential to create a substantial amount of primary  
332 employment within the commonwealth; (v) the principals of the  
333 enterprise have already made or are prepared to make a substantial  
334 financial and time commitment to the enterprise; (vi) the securi-  
335 ties to be purchased are qualified securities; (vii) there is a reason-  
336 able possibility that the center will at a minimum recoup its initial  
337 investment; (viii) binding commitments have been made to the  
338 center by the enterprise for adequate reporting of financial data to  
339 the center, which shall include a requirement for an annual or  
340 other periodic audit of the books of the enterprise, and for such  
341 control on the part of the center as the board shall consider pru-  
342 dent over the management of the enterprise, so as to protect the  
343 investment of the center, including, in the discretion of the board  
344 and without limitation, a right to access financial and other  
345 records of the enterprise; and (ix) a reasonable effort has been  
346 made to find a professional investor to invest in the enterprise and  
347 that such effort was unsuccessful; and (4) said qualified equity  
348 investment is in conformity with rules adopted by the center and  
349 approved by the board.

350 Said rules shall also set forth the terms, procedures, standards  
351 and conditions which the center shall employ to identify qualified  
352 applications, process applications, make investment determina-  
353 tions, safeguard the fund, advance the objective of increasing  
354 employment opportunities for the citizens of the commonwealth,  
355 oversee the progress of qualified equity investments, and secure  
356 the participation of other public instrumentalities, private institu-  
357 tions, or the federal government in such qualified equity invest-  
358 ments; provided further, that said rules shall provide that each  
359 recipient of a qualified investment shall be required to pay a fee as  
360 a condition of such receipt, which fee may take the form of points,  
361 an interest rate premium or a contribution of warrants or other  
362 form of equity or consideration to the fund; and provided, further,  
363 that said rules shall provide for negotiated agreements between  
364 the center and each recipient of a qualified investment regarding  
365 the terms and conditions by which the fund's support thereof could  
366 be reduced or withdrawn.

367 (d) The center may solicit investments by private institutions  
368 or investors in the activities of the fund and may reach agreements

369 with such private institutions or investors regarding the terms of  
370 any such investments including, without limitation, the rights of  
371 such investors to participate in the income or appropriation of the  
372 fund. In furtherance of the objective of securing investments by  
373 private institutions or investors in the activities of the fund as set  
374 forth in the preceding sentence, the center may develop a proposal  
375 relative to the creation of a separate investment entity which  
376 would allow for the commingling of the resources of the fund with  
377 the maximum participation by such private institutions or  
378 investors in a manner which is consistent with the public purpose  
379 of the fund and under terms and conditions calculated to protect  
380 and preserve the assets of the fund.

381 (e) Copies of the approved rules, and any modifications  
382 thereto, shall be submitted to the chairs of the house and senate  
383 committees on ways and means, the chairs of the joint committee  
384 on economic development and emerging technologies, and the  
385 clerks of the house of representatives and senate.

386 (f) Qualified equity investment transactions undertaken by the  
387 center pursuant to the provisions of this section shall not, except  
388 as specified in this chapter, be subject to the provisions of  
389 chapter 175, or any successor thereto, and shall be payable solely  
390 from the Dr. Craig C. Mello Small Business Equity Investment  
391 Fund, established by this section and shall not constitute a debt or  
392 pledge of the faith and credit of the commonwealth, the center or  
393 any subdivision of the commonwealth.

394 (g) The center shall not at any time make expenditure from or  
395 commitment of the assets of the fund, including, without limita-  
396 tion, the making of qualified equity investments secured by the  
397 fund, if following the making of said qualified equity investment,  
398 the amount of the fund shall be less than the minimum require-  
399 ment established by the board.

400 Section 8. (a) There shall be established and placed within the  
401 center a fund to be known as the Dr. Judah Folkman Higher Edu-  
402 cation Grant Fund, hereinafter in this section referred to as the  
403 fund, to be held by the center separate and apart from its other  
404 funds. The fund shall be credited any appropriations, bond pro-  
405 ceeds or other monies authorized by the general court and specifi-  
406 cally designated to be credited thereto, such additional funds as  
407 are subject to the direction and control of the center, any pension

408 funds, federal grants or loans, royalties or private investment cap-  
409 ital which may properly be applied in furtherance of the objectives  
410 of the fund, any proceeds from the sale of qualified investments  
411 secured or held by the fund, any fees and charges imposed relative  
412 to the making of qualified investments, as the same shall be  
413 defined by the center, secured or held by the fund, and any other  
414 monies which may be available to the center for the purposes of  
415 the fund from any other source or sources. Any revenues,  
416 deposits, receipts, or funds received through the receipt of royal-  
417 ties, interest, dividends, or the sale of equity instruments, inclu-  
418 sive, shall be deposited in the fund, and shall be available  
419 expressly to the center for the purposes described in this section,  
420 without further appropriation.

421 (b) The center shall invest and reinvest the fund and the  
422 income thereof, except as hereinafter provided, only as follows:  
423 (1) in the making of qualified grants pursuant to subsection (c);  
424 (2) in defraying the ordinary and necessary expenses of adminis-  
425 tration and operation associated with the fund; provided, however,  
426 that said administrative and operational expenses shall not exceed  
427 10 per cent of the maximum amount authorized to be expended  
428 from the fund in a fiscal year; (3) in the investment of any funds  
429 not required for immediate disbursement in the purchase of such  
430 securities as may be lawful investments for fiduciaries in the com-  
431 monwealth; (4) for the payment of binding obligations associated  
432 with such qualified investments which are secured by the fund as  
433 the same become payable; and (5) for the payment of principal or  
434 interest on qualified investments secured by the fund or the pay-  
435 ment of any redemption premium required to be paid when such  
436 qualified investments are redeemed prior to maturity; provided,  
437 however, that monies in the fund shall not be withdrawn at any  
438 time in such an amount as would reduce the amount of the fund to  
439 less than the minimum requirement thereof established by the  
440 center, except for the purpose of paying binding obligations asso-  
441 ciated with qualified investments which are secured by the fund as  
442 the same become payable.

443 (c) The fund shall be held and applied by the center to make  
444 qualified grants to graduate level and doctorate students and post-  
445 doctoral fellows studying or employed in the area of the life sci-  
446 ences for living expenses; provided, however, that the aggregate

447 amount of said qualified grants shall not exceed \$3,000,000 in any  
448 one fiscal year; and provided further, that the center shall make no  
449 such qualified grants unless said grant has been approved by a  
450 majority vote of the board. Grants awarded from the fund shall, in  
451 addition to any restrictions adopted by the center, be awarded in  
452 \$5,000 increments not to exceed \$15,000 annually per recipient  
453 and further restricted as follows: (1) recipients shall be enrolled in  
454 a graduate or doctorate level program or working as a postdoctoral  
455 fellow at a college, university or an academic medical center in  
456 the commonwealth; (2) recipients shall be residents of the com-  
457 monwealth; and (3) the annual total household income of a recip-  
458 ient shall not exceed \$30,000. The center shall make no such  
459 qualified grant pursuant to said clause (1) of said subsection (b)  
460 unless such qualified grant is in conformity with rules adopted by  
461 the center and approved by the board.

462 Said rules shall also set the terms and conditions for grants  
463 which are to constitute qualified grants and shall set forth the  
464 terms, procedures, standards and conditions which the center shall  
465 employ to identify qualified applications, process applications,  
466 make grant determinations, safeguard the fund, oversee the  
467 progress of qualified grants, and secure the participation of other  
468 public instrumentalities, private institutions, or the federal govern-  
469 ment in such qualified grants.

470 (d) The center may solicit investments by private institutions  
471 or investors in the activities of the fund and may reach agreements  
472 with such private institutions or investors regarding the terms of  
473 any such investments including, without limitation, the rights of  
474 such investors to participate in the income or appropriation of the  
475 fund. In furtherance of the objective of securing investments by  
476 private institutions or investors in the activities of the fund as set  
477 forth in the preceding sentence, the center may develop a proposal  
478 relative to the creation of a separate investment entity which  
479 would allow for the commingling of the resources of the fund with  
480 the maximum participation by such private institutions or  
481 investors in a manner which is consistent with the public purpose  
482 of the fund and under terms and conditions calculated to protect  
483 and preserve the assets of the fund.

484 (e) Copies of the approved rules, and any modifications  
485 thereto, shall be submitted to the chairs of the house and senate  
486 committees on ways and means, the chairs of the joint committee

487 on economic development and emerging technologies, and the  
488 clerks of the house of representatives and senate.

489 (f) Qualified grants and investment transactions undertaken by  
490 the center pursuant to the provisions of this section shall not,  
491 except as specified in this chapter, be subject to the provisions of  
492 chapter 175, or any successor thereto, and shall be payable solely  
493 from the Dr. Judah Folkman Higher Education Grant Fund, estab-  
494 lished by this section and shall not constitute a debt or pledge of  
495 the faith and credit of the commonwealth, the center or any subdi-  
496 vision of the commonwealth.

497 (g) The center shall not at any time make expenditure from or  
498 commitment of the assets of the fund, including, without limita-  
499 tion, the making of qualified grants or investments secured by the  
500 fund, if following the making of said qualified grant or invest-  
501 ment, the amount of the fund shall be less than the minimum  
502 requirement established by the board.

503 Section 9. (a) There is hereby established and placed within the  
504 center a fund to be known as the Massachusetts Life Sciences  
505 Opportunity Relocation and Expansion Jobs Capital Program  
506 Fund, hereinafter referred to in this section as the fund, to be held  
507 by the center separate and apart from its other funds. The fund  
508 shall be credited any appropriations, bond proceeds or other  
509 monies authorized by the general court and specifically designated  
510 to be credited thereto, such additional funds as are subject to the  
511 direction and control of the center, any pension funds, federal  
512 grants or loans, royalties or private investment capital which may  
513 properly be applied in furtherance of the objectives of the fund,  
514 any proceeds from the sale of qualified investments secured or  
515 held by the fund, any fees and charges imposed relative to the  
516 making of qualified investments, as the same shall be defined by  
517 the center, secured or held by the fund, and any other monies  
518 which may be available to the center for the purposes of the fund  
519 from any other source or sources. Any revenues, deposits,  
520 receipts, or funds received through the receipt of royalties,  
521 interest, dividends, or the sale of equity instruments, inclusive,  
522 shall be deposited in the fund, and shall be available expressly to  
523 the center for the purposes described in this section, without fur-  
524 ther appropriation.

525 (b) The center shall invest and reinvest the fund and the  
526 income thereof, except as hereinafter provided, only as follows:  
527 (1) in the making of qualified grants pursuant to subsection (c);  
528 (2) in defraying the ordinary and necessary expenses of adminis-  
529 tration and operation associated with the fund; provided, however,  
530 that said administrative and operational expenses shall not exceed  
531 10 per cent of the maximum amount authorized to be expended  
532 from the fund in a fiscal year; (3) in the investment of any funds  
533 not required for immediate disbursement in the purchase of such  
534 securities as may be lawful investments for fiduciaries in the com-  
535 monwealth; (4) for the payment of binding obligations associated  
536 with such qualified investments which are secured by the fund as  
537 the same become payable; and (5) for the payment of principal or  
538 interest on qualified investments secured by the fund or the pay-  
539 ment of any redemption premium required to be paid when such  
540 qualified investments are redeemed prior to maturity; provided,  
541 however, that monies in the fund shall not be withdrawn at any  
542 time in such an amount as would reduce the amount of the fund to  
543 less than the minimum requirement thereof established by the  
544 center, except for the purpose of paying binding obligations asso-  
545 ciated with qualified investments which are secured by the fund as  
546 the same become payable.

547 (c) The fund shall be held and applied by the center to make  
548 qualified grants to municipalities for site remediation, preparation  
549 and ancillary infrastructure improvement projects related to life  
550 sciences development; provided, however, that said qualified  
551 grants shall not exceed \$12,000,000 in any one fiscal year; and  
552 provided further, that the center shall make no such qualified  
553 grants unless: (1) said investment has been approved by a majority  
554 vote of the board; (2) the life sciences company involved in the  
555 project is certified pursuant to section 5; (3) the local executive  
556 government body and the life sciences company involved in the  
557 project jointly submit a request for funding to the center; provided  
558 further, that said request shall include sufficient documentation  
559 including, but not limited to, a project plan with specific goals and  
560 objectives that fully documents the life sciences company  
561 involved in the proposed project: (i) will generate substantial sales  
562 from outside the commonwealth and will result in the creation of  
563 new jobs in the commonwealth within 24 months upon receipt of

564 a grant and commits that said new jobs are to be maintained  
565 herein for at least a 5 year period; or (ii) documents an economic  
566 benefit that the board determines is sufficiently exceptional; (4)  
567 the center finds that, to the extent possible, said qualified grant is  
568 such that a definite benefit to the economy of the commonwealth  
569 may reasonably be expected therefrom; and (5) said qualified  
570 grant is in conformity with rules adopted by the center and  
571 approved by the board.

572 Said rules shall also set the terms and conditions for grants  
573 which are to constitute qualified grants and shall set forth the  
574 terms, procedures, standards and conditions which the center shall  
575 employ to identify qualified applications, process applications,  
576 make investment determinations, safeguard the fund, advance the  
577 objective of increasing employment opportunities for the citizens  
578 of the commonwealth, oversee the progress of qualified grants,  
579 and secure the participation of other public instrumentalities, pri-  
580 vate institutions, or the federal government in such qualified  
581 grants.

582 (d) The center may solicit investments by private institutions  
583 or investors in the activities of the fund and may reach agreements  
584 with such private institutions or investors regarding the terms of  
585 any such investments including, without limitation, the rights of  
586 such investors to participate in the income or appropriation of the  
587 fund. In furtherance of the objective of securing investments by  
588 private institutions or investors in the activities of the fund as set  
589 forth in the preceding sentence, the center may develop a proposal  
590 relative to the creation of a separate investment entity which  
591 would allow for the commingling of the resources of the fund with  
592 the maximum participation by such private institutions or  
593 investors in a manner which is consistent with the public purpose  
594 of the fund and under terms and conditions calculated to protect  
595 and preserve the assets of the fund.

596 (e) Copies of the approved rules, and any modifications  
597 thereto, shall be submitted to the chairs of the house and senate  
598 committees on ways and means, the chairs of the joint committee  
599 on economic development and emerging technologies, and the  
600 clerks of the house of representatives and senate.

601 (f) Qualified investment transactions undertaken by the center  
602 pursuant to the provisions of this section shall not, except as spec-

603 ified in this chapter, be subject to the provisions of chapter 175, or  
604 any successor thereto, and shall be payable solely from the Massa-  
605 chusetts Life Sciences Opportunity Relocation and Expansion  
606 Jobs Capital Program Fund, established by this section and shall  
607 not constitute a debt or pledge of the faith and credit of the com-  
608 monwealth, the center or any subdivision of the commonwealth.

609 (g) The center shall not at any time make expenditure from or  
610 commitment of the assets of the fund, including, without limita-  
611 tion, the making of qualified grants secured by the fund, if  
612 following the making of said qualified grants, the amount of the  
613 fund shall be less than the minimum requirement established by  
614 the board.

615 Section 10. (a) There is hereby established and placed within  
616 the center the Massachusetts Life Sciences Bridge Loan Fund,  
617 hereinafter referred to in this section as the fund, to be held by the  
618 center separate and apart from its other funds. The fund shall be  
619 credited any appropriations, bond proceeds or other monies autho-  
620 rized by the general court and specifically designated to be cred-  
621 ited thereto, such additional funds as are subject to the direction  
622 and control of the center, any pension funds, federal grants or  
623 loans or private investment capital which may properly be applied  
624 in furtherance of the objectives of the fund, any proceeds from the  
625 sale of qualified investments secured or held by the fund, any fees  
626 and charges imposed relative to the making of qualified invest-  
627 ments, as the same shall be defined by the center, secured or held  
628 by the fund, and any other monies which may be available to the  
629 center for the purposes of the fund from any other source or  
630 sources. Any revenues, deposits, receipts, or funds received  
631 through the receipt of royalties, interest, dividends, or the sale of  
632 equity instruments, inclusive, shall be deposited in the fund, and  
633 shall be available expressly to the center for the purposes  
634 described in this section, without further appropriation.

635 (b) The center shall invest and reinvest the fund and the  
636 income thereof, except as hereinafter provided, only as follows:  
637 (1) in the making of qualified loans, grants or other investments,  
638 pursuant to subsection (c); provided, however, that the center shall  
639 consult with the Massachusetts development finance agency prior  
640 to making said qualified loans, grants or other investments; (2) in  
641 defraying the ordinary and necessary expenses of administration

642 and operation associated with the fund; provided, however, that  
643 said administrative and operational expenses shall not exceed 10  
644 per cent of the maximum amount authorized to be expended from  
645 the fund in a fiscal year; (3) in the investment of any funds not  
646 required for immediate disbursement in the purchase of such secu-  
647 rities as may be lawful investments for fiduciaries in the common-  
648 wealth; (4) for the payment of binding obligations associated with  
649 such qualified investments which are secured by the fund as the  
650 same become payable; and (5) for the payment of principal or  
651 interest on qualified investments secured by the fund or the pay-  
652 ment of any redemption premium required to be paid when such  
653 qualified investments are redeemed prior to maturity; provided,  
654 however, that monies in the fund shall not be withdrawn at any  
655 time in such an amount as would reduce the amount of the fund to  
656 less than the minimum requirement thereof established by the  
657 center, except for the purpose of paying binding obligations asso-  
658 ciated with qualified investments which are secured by the fund as  
659 the same become payable.

660 (c) The fund shall be held and applied by the center to make  
661 qualified loans, grants or other investments to stimulate increased  
662 financing for life sciences research and development, manufac-  
663 turing and commercialization in the commonwealth by providing  
664 bridge loans and other qualified investments to public agencies,  
665 non-profits or to life sciences companies for the furtherance and  
666 establishment of an industry cluster of life science technology in  
667 the commonwealth that will serve to increase and strengthen the  
668 commercial and industrial base of the commonwealth and the eco-  
669 nomic development and employment opportunities related thereto;  
670 provided further, that said fund shall provide matching grants to  
671 commonwealth based high technology companies that receive  
672 small business innovation research or small business technology  
673 transfer grants from the Small Business Administration, estab-  
674 lished pursuant 15 U.S.C. §638, hereinafter SBIR, to assist eli-  
675 gible companies that have developed new commercial-  
676 ization-ready technologies to reach production and create manu-  
677 facturing jobs in the commonwealth; provided, however, that said  
678 matching grants shall be used to create manufacturing jobs, and  
679 may be used for, without limitation, the creation of, and capital  
680 improvements for, production facilities, workforce training,

681 product marketing, and purchasing infrastructure for product man-  
682 ufacturing; provided further, said matching grants shall be distrib-  
683 uted to eligible companies that have commercialization-ready  
684 technologies developed with assistance from SBIR money in the  
685 form of \$1 in matching funds for every \$1 granted through SBIR  
686 phase IIB grants, phase III grants, and the commercialization pilot  
687 project established pursuant to 15 U.S.C. §638; provided further,  
688 that said matching grants shall be awarded in consultation with the  
689 Small Business Association of New England in an amount not to  
690 exceed \$1,000,000 annually; provided, further that no such grant  
691 to any only enterprise shall exceed \$500,000 annually; provided  
692 further, that said qualified loans, grants or other investments shall  
693 not exceed \$4,500,000 in the aggregate in any one fiscal year; and  
694 provided further, that the center shall make no such qualified loan,  
695 grant or other investment unless: (1) said loan, grant or investment  
696 has been approved by a majority vote of the board; (2) the recip-  
697 ient is a life sciences company certified pursuant to section 5;  
698 (3) the center finds that, to the extent possible, said qualified loan,  
699 grant or investment is such that a definite benefit to the economy  
700 of the commonwealth may reasonably be expected therefrom; pro-  
701 vided, further, that, in evaluating any request or application for  
702 funding, the center shall consider the following: (i) whether the  
703 loan, grant or investment will stimulate increased financing for  
704 life sciences research and development, manufacturing and com-  
705 mercialization in the commonwealth; (ii) the enterprise has a  
706 reasonable chance of success; (iii) center participation is neces-  
707 sary; (iv) the enterprise has the reasonable potential to create a  
708 substantial amount of primary employment within the common-  
709 wealth; (v) the principals of the enterprise have already made or  
710 are prepared to make a substantial financial and time commitment  
711 to the enterprise; (vi) the securities to be purchased are qualified  
712 securities; (vii) there is a reasonable possibility that the center will  
713 at a minimum recoup its initial investment; (viii) binding commit-  
714 ments have been made to the center by the enterprise for adequate  
715 reporting of financial data to the center, which shall include a  
716 requirement for an annual or other periodic audit of the books of  
717 the enterprise, and for such control on the part of the center as the  
718 board shall consider prudent over the management of the enter-  
719 prise, so as to protect the investment of the center, including, in

720 the discretion of the board and without limitation, a right to access  
721 financial and other records of the enterprise; and (ix) a reasonable  
722 effort has been made to find a professional investor to invest in  
723 the enterprise and that such effort was unsuccessful; and (4) said  
724 loan, grant or other investment is in conformity with rules adopted  
725 by the center and approved by the board.

726 Said rules shall define life sciences technology for purposes  
727 hereof; provided, however, that such definition shall include com-  
728 panies engaging in research and development or manufacturing in  
729 areas of agricultural biotechnology, biodefense, biogenetics,  
730 bioinformatics, biomedical engineering, biotechnology, bio-  
731 pharmaceuticals, chemical synthesis, diagnostics, genomics,  
732 image analysis, medical devices, nanotechnology, natural product  
733 pharmaceuticals, proteomics, regenerative medicine, RNA inter-  
734 ference, stem cell research and veterinary science or any other life  
735 sciences field or company which the center has classified or shall  
736 classify as life sciences technology. Said rules shall also set the  
737 terms and conditions for investments which are to constitute qual-  
738 ified investments, which may include, without limitation, loans,  
739 guarantees, loan insurance or reinsurance, equity investments, or  
740 other financing or credit enhancing devices, as made by the center  
741 directly or on its own behalf or in conjunction with other public  
742 instrumentalities, or private institutions, or the federal govern-  
743 ment. Said rules shall, in addition, set forth the terms, procedures,  
744 standards and conditions which the center shall employ to identify  
745 qualified applications, process applications, make investment  
746 determinations, safeguard the fund, advance the objective of  
747 increasing employment opportunities for the citizens of the com-  
748 monwealth, oversee the progress of qualified investments, and  
749 secure the participation of other public instrumentalities, private  
750 institutions, or the federal government in such qualified invest-  
751 ments; provided further, that said rules shall provide that each  
752 recipient of a qualified investment shall be required to pay a fee as  
753 a condition of such receipt, which fee may take the form of points,  
754 an interest rate premium or a contribution of warrants or other  
755 form of equity or consideration to the fund; and provided, further,  
756 that said rules shall provide for negotiated agreements between  
757 the center and each recipient of a qualified investment regarding

758 the terms and conditions by which the fund's support thereof could  
759 be reduced or withdrawn.

760 (d) The center may solicit investments by private institutions  
761 or investors in the activities of the fund and may reach agreements  
762 with such private institutions or investors regarding the terms of  
763 any such investments including, without limitation, the rights of  
764 such investors to participate in the income or appropriation of the  
765 fund. In furtherance of the objective of securing investments by  
766 private institutions or investors in the activities of the fund as set  
767 forth in the preceding sentence, the center may develop a proposal  
768 relative to the creation of a separate investment entity which  
769 would allow for the commingling of the resources of the fund with  
770 the maximum participation by such private institutions or  
771 investors in a manner which is consistent with the public purpose  
772 of the fund and under terms and conditions calculated to protect  
773 and preserve the assets of the fund; provided, however, that if the  
774 creation or operation of such a separate entity as proposed by the  
775 center would require additional or clarifying amendments to the  
776 enabling act of the center, said proposal shall include proposed  
777 statutory language with regard thereto.

778 (e) Copies of the approved rules, and any modifications  
779 thereto, shall be submitted to the chairpersons of the house and  
780 senate committees on ways and means, the chairpersons of the  
781 joint committee on economic development and emerging tech-  
782 nologies, and the clerks of the house of representatives and senate.

783 (f) Qualified investment transactions undertaken by the center  
784 pursuant to the provisions of this section shall not, except as spec-  
785 ified in this chapter, be subject to the provisions of chapter 175, or  
786 any successor thereto, and shall be payable solely from the Massa-  
787 chusetts Life Sciences Bridge Loan Fund, established by this  
788 section and shall not constitute a debt or pledge of the faith and  
789 credit of the commonwealth, the center or any subdivision of the  
790 commonwealth.

791 (g) The center shall not at any time make expenditure from or  
792 commitment of the assets of the fund, including, without limita-  
793 tion, the making of qualified equity investments secured by the  
794 fund, if following the making of said qualified equity investment,

795 the amount of the fund shall be less than the minimum require-  
796 ment established by the board.

797 (h) In making disbursements from the fund, the center shall  
798 develop a plan to distribute funds throughout all regions of the  
799 commonwealth.

800 Section 11. (a) There shall be established and placed within the  
801 center a fund to be known as the Regional Technology and Inno-  
802 vation Centers Capital Fund, hereinafter in this section referred to  
803 as the fund, to be held by the center separate and apart from its  
804 other funds. The fund shall be credited any appropriations, bond  
805 proceeds or other monies authorized by the general court and  
806 specifically designated to be credited thereto, such additional  
807 funds as are subject to the direction and control of the center, any  
808 pension funds, federal grants or loans, royalties or private invest-  
809 ment capital which may properly be applied in furtherance of the  
810 objectives of the fund, any proceeds from the sale of qualified  
811 investments secured or held by the fund, any fees and charges  
812 imposed relative to the making of qualified investments, as the  
813 same shall be defined by the center, secured or held by the fund,  
814 and any other monies which may be available to the center for the  
815 purposes of the fund from any other source or sources. Any rev-  
816 enues, deposits, receipts, or funds received through the receipt of  
817 royalties, interest, dividends, or the sale of equity instruments,  
818 inclusive, shall be deposited in the fund, and shall be available  
819 expressly to the center for the purposes described in this section,  
820 without further appropriation.

821 (b) The center shall invest and reinvest the fund and the  
822 income thereof, except as hereinafter provided, only as follows:  
823 (1) in the making of qualified grants pursuant to subsection (c);  
824 (2) in defraying the ordinary and necessary expenses of adminis-  
825 tration and operation associated with the fund; provided, however,  
826 that said administrative and operational expenses shall not exceed  
827 10 per cent of the amount authorized to be expended from the  
828 fund in a fiscal year; (3) in the investment of any funds not  
829 required for immediate disbursement in the purchase of such secu-  
830 rities as may be lawful investments for fiduciaries in the common-  
831 wealth; (4) for the payment of binding obligations associated with  
832 such qualified investments which are secured by the fund as the  
833 same become payable; and (5) for the payment of principal or

834 interest on qualified investments secured by the fund or the pay-  
835 ment of any redemption premium required to be paid when such  
836 qualified investments are redeemed prior to maturity; provided,  
837 however, that monies in the fund shall not be withdrawn at any  
838 time in such an amount as would reduce the amount of the fund to  
839 less than the minimum requirement thereof established by the  
840 center, except for the purpose of paying binding obligations asso-  
841 ciated with qualified investments which are secured by the fund as  
842 the same become payable.

843 (c) The fund shall be held and applied by the center to make  
844 qualified grants for life science related laboratory space improve-  
845 ments or for the design and construction of new laboratory facili-  
846 ties to promote the life sciences; provided, however, that the  
847 aggregate amount of said qualified grants shall not exceed  
848 \$3,000,000 in any one fiscal year; provided further, that no grant  
849 shall be awarded from the fund prior to the completion of a com-  
850 prehensive regional study which shall include, but not be limited  
851 to, information regarding available regional private and public lab  
852 space, existing regional private life sciences industries, existing  
853 regional workforce development initiatives and existing available  
854 regional industry workforce; and provided further, that the center  
855 shall make no such qualified grant unless: (1) said grant has been  
856 approved by a majority vote of the board; (2) the recipient is a non  
857 profit organization or a life sciences company certified pursuant to  
858 section 5; and (3) said grant is in conformity with rules adopted  
859 by the center and approved by the board.

860 Said rules shall also set the terms and conditions for grants  
861 which are to constitute qualified grants and shall set forth the  
862 terms, procedures, standards and conditions which the center shall  
863 employ to identify qualified applications, process applications,  
864 make investment determinations, safeguard the fund, advance the  
865 objective of increasing employment opportunities for the citizens  
866 of the commonwealth, oversee the progress of qualified grants,  
867 and secure the participation of other public instrumentalities, pri-  
868 vate institutions, or the federal government in such qualified  
869 grants.

870 (d) The center may solicit investments by private institutions  
871 or investors in the activities of the fund and may reach agreements  
872 with such private institutions or investors regarding the terms of

873 any such investments including, without limitation, the rights of  
874 such investors to participate in the income or appropriation of the  
875 fund. In furtherance of the objective of securing investments by  
876 private institutions or investors in the activities of the fund as set  
877 forth in the preceding sentence, the center may develop a proposal  
878 relative to the creation of a separate investment entity which  
879 would allow for the commingling of the resources of the fund with  
880 the maximum participation by such private institutions or  
881 investors in a manner which is consistent with the public purpose  
882 of the fund and under terms and conditions calculated to protect  
883 and preserve the assets of the fund.

884 (e) Copies of the approved rules, and any modifications  
885 thereto, shall be submitted to the chairs of the house and senate  
886 committees on ways and means, the chairs of the joint committee  
887 on economic development and emerging technologies, and the  
888 clerks of the house of representatives and senate.

889 (f) Qualified grants and investment transactions undertaken by  
890 the center pursuant to the provisions of this section shall not,  
891 except as specified in this chapter, be subject to the provisions of  
892 chapter 175, or any successor thereto, and shall be payable solely  
893 from the Regional Technology and Innovation Centers Capital  
894 Fund, established by this section and shall not constitute a debt or  
895 pledge of the faith and credit of the commonwealth, the center or  
896 any subdivision of the commonwealth.

897 (g) The center shall not at any time make expenditure from or  
898 commitment of the assets of the fund, including, without limita-  
899 tion, the making of qualified grants or investments secured by the  
900 fund, if following the making of said qualified grant or invest-  
901 ment, the amount of the fund shall be less than the minimum  
902 requirement established by the board.

903 Section 12. (a) There shall be established and placed within the  
904 center a fund to be known as the Massachusetts Life Sciences  
905 Education Fund, hereinafter in this section referred to as the fund,  
906 to be held by the center separate and apart from its other funds.  
907 The fund shall be credited any appropriations, bond proceeds or  
908 other monies authorized by the general court and specifically des-  
909 ignated to be credited thereto, such additional funds as are subject  
910 to the direction and control of the center, any pension funds, fed-  
911 eral grants or loans, royalties or private investment capital which

912 may properly be applied in furtherance of the objectives of the  
913 fund, any proceeds from the sale of qualified investments secured  
914 or held by the fund, any fees and charges imposed relative to the  
915 making of qualified investments, as the same shall be defined by  
916 the center, secured or held by the fund, and any other monies  
917 which may be available to the center for the purposes of the fund  
918 from any other source or sources. Any revenues, deposits,  
919 receipts, or funds received through the receipt of royalties,  
920 interest, dividends, or the sale of equity instruments, inclusive,  
921 shall be deposited in the fund, and shall be available expressly to  
922 the center for the purposes described in this section, without fur-  
923 ther appropriation.

924 (b) The center shall invest and reinvest the fund and the  
925 income thereof, except as hereinafter provided, only as follows:  
926 (1) in the making of qualified grants pursuant to subsection (c);  
927 (2) in defraying the ordinary and necessary expenses of adminis-  
928 tration and operation associated with the fund; provided, however,  
929 that said administrative and operational expenses shall not exceed  
930 10 per cent of the maximum amount authorized to be expended  
931 from the fund in a fiscal year; (3) in the investment of any funds  
932 not required for immediate disbursement in the purchase of such  
933 securities as may be lawful investments for fiduciaries in the com-  
934 monwealth; (4) for the payment of binding obligations associated  
935 with such qualified investments which are secured by the fund as  
936 the same become payable; and (5) for the payment of principal or  
937 interest on qualified investments secured by the fund or the pay-  
938 ment of any redemption premium required to be paid when such  
939 qualified investments are redeemed prior to maturity; provided,  
940 however, that monies in the fund shall not be withdrawn at any  
941 time in such an amount as would reduce the amount of the fund to  
942 less than the minimum requirement thereof established by the  
943 center, except for the purpose of paying binding obligations asso-  
944 ciated with qualified investments which are secured by the fund as  
945 the same become payable.

946 (c) The fund shall be held and applied by the center to make  
947 qualified grants to vocational and technical schools for purchasing  
948 or leasing necessary equipment to train students in the area of life  
949 sciences technology or research; provided, however, that the  
950 aggregate amount of said qualified grants shall not exceed

951 \$3,000,000 in any one fiscal year; and provided further, that the  
952 center shall make no such qualified grants unless: (1) said grant  
953 has been approved by a majority vote of the board; (2) the grant  
954 recipient is a vocational technical school; provided, however, that  
955 to the extent funds remain after consideration of grant applications  
956 submitted by vocational technical schools, the center may make  
957 qualified grants to community colleges; (3) the grant recipient has  
958 identified and properly trained instructors in the use of the equip-  
959 ment to be purchased or leased; and (4) said qualified grant is in  
960 conformity with rules adopted by the center and approved by the  
961 board.

962 Said rules shall also set the terms and conditions for grants  
963 which are to constitute qualified grants and shall set forth the  
964 terms, procedures, standards and conditions which the center shall  
965 employ to identify qualified applications, process applications,  
966 make investment determinations, safeguard the fund, advance the  
967 objective of increasing employment opportunities for the citizens  
968 of the commonwealth, oversee the progress of qualified grants,  
969 and secure the participation of other public instrumentalities, pri-  
970 vate institutions, or the federal government in such qualified  
971 grants.

972 (d) The center may solicit investments by private institutions  
973 or investors in the activities of the fund and may reach agreements  
974 with such private institutions or investors regarding the terms of  
975 any such investments including, without limitation, the rights of  
976 such investors to participate in the income or appropriation of the  
977 fund. In furtherance of the objective of securing investments by  
978 private institutions or investors in the activities of the fund as set  
979 forth in the preceding sentence, the center may develop a proposal  
980 relative to the creation of a separate investment entity which  
981 would allow for the commingling of the resources of the fund with  
982 the maximum participation by such private institutions or  
983 investors in a manner which is consistent with the public purpose  
984 of the fund and under terms and conditions calculated to protect  
985 and preserve the assets of the fund.

986 (e) Copies of the approved rules, and any modifications  
987 thereto, shall be submitted to the chairs of the house and senate  
988 committees on ways and means, the chairs of the joint committee

989 on economic development and emerging technologies, and the  
990 clerks of the house of representatives and senate.

991 (f) Qualified grants and investment transactions undertaken by  
992 the center pursuant to the provisions of this section shall not,  
993 except as specified in this chapter, be subject to the provisions of  
994 chapter 175, or any successor thereto, and shall be payable solely  
995 from the Massachusetts Life Sciences Education Fund, established  
996 by this section and shall not constitute a debt or pledge of the faith  
997 and credit of the commonwealth, the center or any subdivision of  
998 the commonwealth.

999 (g) The center shall not at any time make expenditure from or  
1000 commitment of the assets of the fund, including, without limita-  
1001 tion, the making of qualified grants or investments secured by the  
1002 fund, if following the making of said qualified grant or invest-  
1003 ment, the amount of the fund shall be less than the minimum  
1004 requirement established by the board.

1005 Section 13. (a) The center shall establish a system of 5 regional  
1006 life sciences industry regions; provided, however, that 1 region  
1007 shall be located in western Massachusetts, 1 region shall be  
1008 located in central Massachusetts, 1 region shall be located in  
1009 northeastern Massachusetts, 1 region shall be located in south-  
1010 eastern Massachusetts, and 1 region shall be located in metropol-  
1011 itan Boston.

1012 (b) Within each of the designated regions, the center shall  
1013 establish a regional technology and innovation center and shall  
1014 solicit proposals from non-profit organizations for the purpose of  
1015 operating said regional technology and innovation center; pro-  
1016 vided, however, that a non-profit organization responding to said  
1017 request for proposals shall: (i) have experience facilitating local or  
1018 regional life science industry sectors; and (ii) be located, or plan  
1019 to be located, within the region that said organization is applying  
1020 to serve.

1021 (c) The duties of each regional technology and innovation  
1022 center shall include, but shall not be limited to: (i) encouraging  
1023 and facilitating collaboration between existing organizations dedi-  
1024 cated to promoting the regional life science industry; (ii) inputting  
1025 regional life science industry and educational data, including the  
1026 documentation of regional lab space, into the life sciences  
1027 industry database as designed and maintained by the center; (iii)

1028 organizing, facilitating and implementing regional workforce  
1029 development initiatives; (iv) providing business management and  
1030 resource training, including the dissemination of best business  
1031 practices; (v) facilitating public and private investment in the life  
1032 sciences; (vi) reviewing and providing recommendations to the  
1033 center proposals; (vii) identifying property conducive to regional  
1034 life science industry expansion; and (viii) facilitating the regional  
1035 development and implementation of section 10A of chapter 23A.

1036 (d) Each regional technology and innovation center shall be  
1037 advised by a regional advisory board consisting of the secretary of  
1038 administration and finance, or his designee; the secretary of the  
1039 executive office of housing and economic development, or his  
1040 designee; the secretary of labor and workforce development, or  
1041 his designee; the executive director of the center; and a minimum  
1042 of 16 members who shall be appointed by the executive director  
1043 of the center, 1 of whom shall be an individual representing the  
1044 University of Massachusetts; 1 of whom shall be an individual  
1045 representing the Massachusetts state college system; 1 of whom  
1046 shall be an individual representing the Massachusetts community  
1047 college system; 1 of whom shall be an individual representing pri-  
1048 vate colleges or universities located in Massachusetts; 1 of whom  
1049 shall be an individual representing the Massachusetts vocational-  
1050 technical school system; 1 of whom shall be an individual from  
1051 the Massachusetts Development Finance Agency, recommended  
1052 by the president of the Massachusetts Development Finance  
1053 Agency; 1 of whom shall be an individual representing the  
1054 regional council of governments, chamber of commerce or  
1055 regional economic development council; 1 of whom shall be an  
1056 individual with academic expertise in life sciences; 1 of whom  
1057 shall be an individual representing a regional or local technology  
1058 council; 1 of whom shall be a venture capitalist in the region; 1 of  
1059 whom shall be an angel investor in the region; 1 of whom shall be  
1060 an individual with knowledge of regional laboratory space; 1 of  
1061 whom shall be a member of the Massachusetts Biotechnology  
1062 Council Board of Directors and the Massachusetts Life Sciences  
1063 Collaborative; and 1 of whom shall be a student or researcher in  
1064 the region; 1 of whom shall be an individual from a private bank  
1065 in the region.

1066 Each regional advisory board shall have three ex-officio non-  
1067 voting members who shall include: an individual recommended by  
1068 the secretary of the executive office of housing and economic  
1069 development, employed in said office; an individual recom-  
1070 mended by the secretary of labor and workforce development,  
1071 employed in said office; and an individual recommended by the  
1072 secretary of administration and finance, employed in said office.

1073 Section 14. There shall be a capital advisory council which  
1074 shall advise the board on prudence of equity investments pursuant  
1075 to section 7 and the distribution of bridge loans pursuant to  
1076 section 10. The capital advisory board shall be appointed by the  
1077 board and shall consist of a representative of the Massachusetts  
1078 Medical Device Development Center; a representative of the  
1079 Massachusetts Technology Transfer Center; and a representative  
1080 of the Massachusetts Technology Development Corporation;  
1081 1 angel investor with significant experience in the life sciences  
1082 sector; 1 venture capitalist with significant experience in the life  
1083 sciences sector; and 5 members to be appointed by the governor,  
1084 including persons having skills and experience in providing cap-  
1085 ital to new, innovative businesses, in starting and operating such  
1086 businesses, in providing professional services to or otherwise  
1087 working with such businesses, and in obtaining and administering  
1088 grants and contracts from governmental and philanthropic  
1089 sources.

1090 All members shall be appointed for a term of 3 years, may be  
1091 reappointed, and shall serve without compensation, but may be  
1092 reimbursed from the Fund for ordinary and reasonable in-state  
1093 travel expenses. The council may meet as often as the members  
1094 may determine, but shall meet at least bi-annually, or at such other  
1095 intervals as may be established by the executive director in order  
1096 to review recommendations made by the board. A member may be  
1097 removed from his appointment by the governor for cause. Any  
1098 person appointed to fill a vacancy in the office of a member of the  
1099 committee shall be appointed in a like manner and shall serve for  
1100 only the unexpired term of such member.

1101 Section 15. The center shall develop a comprehensive,  
1102 internet-based life sciences sector database for the organization of  
1103 all relevant information related to the life sciences sector in the  
1104 commonwealth, as determined by the center. Access to said data-

1105 base shall be limited at the discretion of the executive director of  
1106 the center. Any documentary materials or data received by the  
1107 center from any entity, private or public, for the express purpose  
1108 of adding information to the life science database shall be exempt  
1109 from section 10 of chapter 66 and the board may hold any discus-  
1110 sion or consideration of database materials in executive session  
1111 closed to the public notwithstanding the provisions of  
1112 section 11A½ of chapter 30A, but the purpose of any such execu-  
1113 tive session shall be set forth in the official minutes of the center  
1114 and no business which is not directly related to such purpose shall  
1115 be transacted nor shall any vote be taken during such executive  
1116 session.

1117 Section 16. (a) The exercise of the powers granted by this  
1118 chapter shall be in all respects for the benefit of the people of the  
1119 commonwealth and for the improvement of their health and living  
1120 conditions and as the operation of the center shall constitute the  
1121 performance of essential governmental functions, the center shall  
1122 not be required to pay any taxes or assessments, except as other-  
1123 wise provided by this chapter and the notes or bonds issued under  
1124 this chapter, their transfer and the income therefrom, including  
1125 any profit made on the sale thereof, at all times shall be free from  
1126 taxation by and within the commonwealth.

1127 (b) The lands and tangible personal property of the center shall  
1128 be deemed to be public property used for essential public and gov-  
1129 ernmental purposes and shall be exempt from taxation and from  
1130 betterments and special assessments.

1131 Section 17. The center shall annually submit to the governor,  
1132 the chair of the senate committee on ways and means, the chair of  
1133 the house committee on ways and means, the chairs of the joint  
1134 committee on economic development and emerging technologies,  
1135 the secretary of administration and finance, and the comptroller,  
1136 within 90 days after the end of its fiscal year, a complete and  
1137 detailed report setting forth its operations and accomplishments;  
1138 its receipts and expenditures during such fiscal year, including a  
1139 complete report detailing all companies classified as a certified  
1140 life sciences company, the benchmarks reached by each company  
1141 and the assistance each company received by the center and a  
1142 detailed description and a numerical accounting of all tax incen-  
1143 tives awarded to life sciences companies certified pursuant to  
1144 section 5; and, its assets and liabilities at the end of its fiscal year.

1145 Section 18. The books and records of the center shall be sub-  
1146 ject to a biennial audit by the auditor of the commonwealth.

1 SECTION 12. Section 1 of chapter 32 of the General Laws, as  
2 appearing in the 2006 Official Edition, is hereby amended by  
3 inserting after the word “connector”, in line 211, the following  
4 words:— , the Massachusetts Life Sciences Center.

1 SECTION 13. Section 2 of chapter 32A of the General Laws is  
2 hereby amended by inserting after the word “authority”, in line  
3 12, as so appearing, the following words:— , the Massachusetts  
4 Life Sciences Center.

1 SECTION 14. Section 6 of chapter 62 of the General Laws, as  
2 most recently amended by section 4 of chapter 63 of the acts of  
3 2007, is hereby further amended by adding the following 2 sub-  
4 sections:—

5 (m) (1) As used in this subsection and subsection (n) the  
6 following words shall, unless the context clearly requires other-  
7 wise, have the following meanings:—

8 “Life sciences”, basic and applied sciences, including the  
9 research and applications from core scientific fields such as  
10 biology, chemistry, engineering, information technology, mathe-  
11 matics and physics that may be integrated to expand the under-  
12 standing of human physiology and have the potential to lead to  
13 medical advances or therapeutic applications.

14 “Life sciences company”, a business corporation, partnership,  
15 firm, unincorporated association or other entity engaged in life  
16 sciences research, development, manufacturing, or commercializa-  
17 tion in the commonwealth, and any affiliate thereof, which is, or  
18 the members of which are, subject to taxation under this chapter.

19 “Life sciences research”, research in the life sciences,  
20 including, but not limited to, agricultural biotechnology, bio-  
21 generics, bioinformatics, biomedical engineering, biotechnology,  
22 biopharmaceuticals, chemical synthesis, diagnostics, genomics,  
23 image analysis, medical devices, nanotechnology, natural product  
24 pharmaceuticals, proteomics, regenerative medicine, RNA inter-  
25 ference, stem cell research and veterinary science.

26 “Person”, a natural person, corporation, association, partnership  
27 or other legal entity. “Primarily”, more than 50 per cent.

28 “Research and development costs”, in-house research expenses  
29 within the meaning of section 41(b)(2) of the Code.

30 “Taxpayer”, a life sciences company or person subject to the  
31 taxes imposed by chapters 62, 63, 64H or 64I.

32 “User fees”, the monetary amount actually paid by a taxpayer  
33 to the U.S.F.D.A. that constitutes the fee due upon the submission  
34 of a human drug application or supplement pursuant to 21 U.S.C.  
35 § 379h(a)(1) for a human drug, the research and development  
36 costs of which, were primarily incurred in the commonwealth.

37 “U.S.F.D.A.”, the United States Food and Drug Administration.

38 (2) A taxpayer may, to the extent authorized pursuant to the  
39 life sciences tax incentive program established pursuant to said  
40 section 5 of said chapter 23I, take a credit against the taxes  
41 imposed by this chapter in an amount equal to 10 percent of the  
42 cost of qualifying property used exclusively in the common-  
43 wealth. Qualifying property shall be tangible personal property  
44 and other tangible property including buildings and structural  
45 components of buildings acquired by purchase, as defined under  
46 Section 179(d) of the Code, as amended and in effect for the tax-  
47 able year, but not including property that is taxable under  
48 chapter 60A; provided, however, that such property must be  
49 depreciable under section 167 of the Code and have a useful life  
50 of 4 years or more. If such property is disposed of or ceases to be  
51 in qualified use before the end of its useful life or before the end  
52 of the year in which the credit is to be taken, the recapture and  
53 related provisions of subsection (e) of section 31A of chapter 63  
54 shall apply. A taxpayer taking a credit allowed under this subsec-  
55 tion may not take the credit allowed by subsection (g) except to  
56 such extent, not to exceed 2 percent of the cost of any qualifying  
57 property, as may be provided in a certification pursuant to said  
58 section 5 of chapter 23I.

59 Nothing in this section shall limit the authority of the commis-  
60 sioner to make adjustments to a taxpayer’s liability upon audit or  
61 limit any other legal remedies available to the commissioner or  
62 the commonwealth against said taxpayer.

63 (3) Any taxpayer entitled to a credit under this section for any  
64 taxable year may, to the extent authorized pursuant to the life sci-

65 ences tax incentive program established pursuant to said section 5  
66 of said chapter 23I, carry over and apply to its tax for any 1 or  
67 more of the next succeeding 10 taxable years, the portion, as  
68 reduced from year to year, of those credits which exceed the tax  
69 for the taxable year.

70 (4) The commissioner in consultation with the Massachusetts  
71 Life Sciences Center established pursuant to section 3 of  
72 chapter 23I, shall promulgate regulations necessary for the admin-  
73 istration of this subsection; provided further, that said regulations  
74 may provide the adjustment of intercompany prices and elimina-  
75 tion of intercompany transactions to ensure that all amounts upon  
76 which the credit is based reasonably reflect fair market value; and  
77 provided further, that said regulations shall include provisions to  
78 prevent the generation of multiple credits with respect to the same  
79 property.

80 (5) In the event that such credit allowed under this subsection,  
81 or such credit as may be allowed under subsection (g) as limited  
82 in this subsection, exceeds the tax otherwise due under chapter 62,  
83 the balance of such credit shall, at the option of the taxpayer and  
84 to the extent authorized pursuant to the life sciences tax incentive  
85 program established pursuant to said section 5 of said chapter 23I,  
86 be refundable to the taxpayer for the taxable year in which quali-  
87 fied property giving rise to that credit is placed in service. If such  
88 credit balance is refunded to the taxpayer, then the credit carry-  
89 over provisions of paragraph (2), and paragraph (2) of  
90 subsection (g), do not apply.

91 (n) (1) Except as otherwise limited by subsection (e), a tax-  
92 payer may, to the extent authorized pursuant to the life sciences  
93 tax incentive program established pursuant to said section 5 of  
94 said chapter 23I, be allowed a refundable credit against the tax lia-  
95 bility imposed under this chapter in an amount equal to 100 per  
96 cent of the cost of user fees paid by such taxpayer.

97 (2) A taxpayer shall claim the credit in the taxable year in  
98 which its application for the licensure of an establishment to man-  
99 ufacture the human drug in the commonwealth is approved by the  
100 U.S.F.D.A.

101 (3) In the event that such credit allowed to a taxpayer exceeds  
102 the tax otherwise due under chapter 62, the balance of that credit  
103 shall, to the extent authorized pursuant to the life sciences tax  
104 incentive program established pursuant to said section 5 of said

105 chapter 23I, be refundable to the taxpayer for the taxable year in  
106 which the credit is claimed.

107 (4) The deduction from gross income that may be taken with  
108 respect to any expenditures qualifying for the credit under this  
109 section shall be disallowed to the extent of the credit.

110 (5) Only user fees paid by a taxpayer to the U.S.F.D.A. on or  
111 after the effective date of this section shall be eligible for the  
112 credit.

1 SECTION 14A. Said section 6 of said chapter 62 is hereby  
2 further amended by striking out subsections (m) and (n) inserted  
3 by section 14.

1 SECTION 15. Section 30 of chapter 63 of the General Laws,  
2 as appearing in the 2006 Official Edition, is hereby amended by  
3 adding the following paragraph:—

4 (17) Notwithstanding the last sentence in paragraph (b) of  
5 paragraph 5 to the extent authorized pursuant to the life sciences  
6 tax incentive program established pursuant to section 5 of  
7 chapter 23I, losses sustained in any taxable year by a taxpayer  
8 engaged in business as a life sciences company as defined by  
9 section 2 of chapter 23I may, to the extent approved pursuant to  
10 said life sciences tax incentive program, be carried forward for not  
11 more than 15 years; provided, however, that said losses shall not  
12 be carried back.

1 SECTION 15A. Said section 30 of said chapter 63 is hereby  
2 further amended by striking out paragraph (17), inserted by  
3 section 15.

1 SECTION 16. Said chapter 63 is hereby further amended by  
2 inserting after section 31L the following section:—

3 Section 31M. (a) As used in this section the following words  
4 shall, unless the context otherwise requires, have the following  
5 meanings:

6 “Life sciences”, basic and applied sciences, including the  
7 research and applications from core scientific fields such as  
8 biology, chemistry, engineering, information technology, mathe-  
9 matics and physics that may be integrated to expand the under-

10 standing of human physiology and have the potential to lead to  
11 medical advances or therapeutic applications.

12 “Life sciences company”, a business corporation, partnership,  
13 firm, unincorporated association or other entity engaged in life  
14 sciences research, development, manufacturing, or commercializa-  
15 tion in the commonwealth, and any affiliate thereof, which is, or  
16 the members of which are, subject to taxation under this chapter.

17 “Life sciences research”, research in the life sciences,  
18 including, but not limited to, agricultural biotechnology, bio-  
19 generics, bioinformatics, biomedical engineering, biotechnology,  
20 biopharmaceuticals, chemical synthesis, diagnostics, genomics,  
21 image analysis, medical devices, nanotechnology, natural product  
22 pharmaceuticals, proteomics, regenerative medicine, RNA inter-  
23 ference, stem cell research and veterinary science.

24 “Person”, a natural person, corporation, association, partnership  
25 or other legal entity.

26 “Primarily”, more than 50 per cent.

27 “Research and development costs”, in-house research expenses  
28 within the meaning of section 41(b)(2) of the Code.

29 “Taxpayer”, a life sciences company or person subject to the  
30 taxes imposed by chapter 62, 63, 64H or 64I.

31 “User fees”, the monetary amount actually paid by a taxpayer  
32 to the U.S.F.D.A. that constitutes the fee due upon the submission  
33 of a human drug application or supplement pursuant to 21 U.S.C.  
34 § 379h(a)(1) for a human drug, the research and development  
35 costs of which, were primarily incurred in the commonwealth.

36 “U.S.F.D.A.”, the United States Food and Drug Administration.

37 (b) Except as otherwise limited by paragraph (e), a taxpayer  
38 may, to the extent authorized pursuant to the life sciences tax  
39 incentive program established pursuant to said section 5 of  
40 chapter 23I, be allowed a refundable credit against the tax liability  
41 imposed under this chapter in an amount equal to 100 percent of  
42 the cost of user fees paid by such company.

43 (c) A taxpayer shall claim the credit in the taxable year in  
44 which its application for the licensure of an establishment to man-  
45 ufacture the human drug in the commonwealth is approved by the  
46 U.S.F.D.A.

47 (d) The credit allowed may reduce the excise due under subsec-  
48 tion (b) of section 32, or subsection (b) of section 39. The credit

49 allowed to a taxpayer shall not be subject to the provisions of  
50 section 32C. In the event that such credit allowed to a taxpayer  
51 exceeds the excise otherwise due under said subsection (b) of  
52 section 32 or subsection (b) of said section 39, the balance of that  
53 credit, to the extent authorized pursuant to the life sciences tax  
54 incentive program established pursuant to said section 5 of said  
55 chapter 23I, may be refundable to the taxpayer for the taxable year  
56 in which the credit is claimed.

57 To the extent authorized pursuant to the life sciences tax incen-  
58 tive program established pursuant to said section 5 of said chapter  
59 23I, if a taxpayer files as a member of a combined group and  
60 applies its excess credit against the excise of another group  
61 member, then the credit as applied to corporations other than such  
62 taxpayer is not subject to the provisions of section 32C and may  
63 reduce to zero the excise due under subsection (b) of section 32,  
64 or subsection (b) of section 39 and under any act in addition  
65 thereto. In the event that such credit allowed to a taxpayer that is  
66 applied against the excise liability of such other corporations  
67 exceeds the excise otherwise due to such corporations under this  
68 chapter, the balance of that credit shall be refundable to the tax-  
69 payer for the taxable year in which the credit is claimed.

70 (e) For the purposes of section 30, the deduction from gross  
71 income that may be taken with respect to any expenditures quali-  
72 fying for the credit under this section is disallowed to the extent of  
73 the credit.

74 (f) Only user fees paid by a taxpayer to the U.S.F.D.A. on or  
75 after the effective date of this section shall be eligible for the  
76 credit.

1 SECTION 16A. Section 31M of said chapter 63 is hereby  
2 repealed.

1 SECTION 17. Subsection (f) of section 38 of said chapter 63  
2 of the General Laws, as appearing in the 2006 Official Edition, is  
3 hereby amended, in line 169, by inserting after the word  
4 “contracts.” the following:—

5 and (6) To the extent authorized pursuant to the life sciences  
6 tax incentive program established pursuant to section 5 of  
7 chapter 23I, a taxpayer engaged in business as a life sciences com-  
8 pany as defined by section 2 of said chapter 23I, shall be deemed

9 to be taxable in the state of the purchaser if the property of the  
10 company is delivered or shipped to a purchaser in another state.

1 SECTION 17A. Said section 38 of said chapter 63 is hereby  
2 further amended by striking out clause (6), inserted by section 17.

1 SECTION 18. Section 38C of said chapter 63, as so appearing,  
2 is hereby amended by adding the following paragraph:—  
3 To the extent authorized pursuant to the life sciences tax incen-  
4 tive program established pursuant to section 5 of chapter 23I, a  
5 life sciences company shall be deemed to be a research and devel-  
6 opment corporation for purposes of exemptions under chap-  
7 ters 64H and 64I

1 SECTION 18A. Said section 38C of said chapter 63 is hereby  
2 further amended by striking out the last paragraph, added by  
3 section 18.

1 SECTION 19. Section 38M of said chapter 63, as so appearing,  
2 is hereby amended by adding the following paragraph:—  
3 (j)(1) As used in this section the following words shall, unless  
4 the context clearly requires otherwise, have the following mean-  
5 ings:—

6 “Life sciences”, basic and applied sciences, including the  
7 research and applications from core scientific fields such as  
8 biology, chemistry, engineering, information technology, mathe-  
9 matics and physics that may be integrated to expand the under-  
10 standing of human physiology and have the potential to lead to  
11 medical advances or therapeutic applications.

12 “Life sciences company”, a business corporation, partnership,  
13 firm, unincorporated association or other entity engaged in life  
14 sciences research, development, manufacturing, or commercializa-  
15 tion in the commonwealth, and any affiliate thereof, which is, or  
16 the members of which are, subject to taxation under this chapter.

17 “Person”, a natural person, corporation, association, partnership  
18 or other legal entity.

19 “Taxpayer”, a life sciences company or person subject to the  
20 taxes imposed by chapters 62, 63, 64H or 64I.

21 (2) If a credit claimed under this section by a taxpayer exceeds  
22 the amount that may otherwise be allowed under this section for a  
23 taxable year, the balance of that credit may, at the option of the

24 taxpayer and to the extent authorized pursuant to the life sciences  
25 tax incentive program established pursuant to section 5 of  
26 chapter 23I, be refundable to the taxpayer for the taxable year. If  
27 such credit balance is refunded to the taxpayer, then the credit  
28 carryover provisions of paragraph (f) shall not apply.

1 SECTION 19A. Said section 38M of said chapter 63 is hereby  
2 further amended by striking out paragraph (j), inserted by  
3 section 19.

1 SECTION 20. Said chapter 63 is hereby further amended by  
2 inserting after section 38T the following 2 sections:—

3 Section 38U. (a) As used in this section and section 38V the  
4 following terms shall, unless the context clearly requires other-  
5 wise, have the following meanings:—

6 “Life sciences”, basic and applied sciences, including the  
7 research and applications from core scientific fields such as  
8 biology, chemistry, engineering, information technology, mathe-  
9 matics and physics that may be integrated to expand the under-  
10 standing of human physiology and have the potential to lead to  
11 medical advances or therapeutic applications.

12 “Life sciences company”, a business corporation, partnership,  
13 firm, unincorporated association or other entity engaged in life  
14 sciences research, development, manufacturing, or commercializa-  
15 tion in the commonwealth, and any affiliate thereof, which is, or  
16 the members of which are, subject to taxation under this chapter.

17 “Person”, a natural person, corporation, association, partnership  
18 or other legal entity.

19 “Taxpayer”, a life sciences company or person subject to the  
20 taxes imposed by chapter 62, 63, 64H or 64I.

21 (b) A taxpayer may, to the extent authorized pursuant to the  
22 life sciences tax incentive program established pursuant to  
23 section 5 of chapter 23I, take a credit against the taxes imposed by  
24 this chapter in an amount equal to 10 percent of the cost of quali-  
25 fying property used exclusively in the commonwealth.

26 Qualifying property shall be tangible personal property and  
27 other tangible property including buildings and structural compo-  
28 nents of buildings acquired by purchase, as defined under  
29 Section 179(d) of the Code, as amended and in effect for the tax-

30 able year, but not including property that is taxable under  
31 chapter 60A; provided, however, that such property must be  
32 depreciable under section 167 of the Code and have a useful life  
33 of 4 years or more. If such property is disposed of or ceases to be  
34 in qualified use before the end of its useful life or before the end  
35 of the year in which the credit is to be taken, the recapture and  
36 related provisions of subsection (e) of section 31A shall apply.

37 The credit allowed under this section may be taken by an eli-  
38 gible corporation; provided, however, that neither credit allowed  
39 by section 31A nor section 31H is taken by such corporation; and  
40 provided further, that the credit allowed by section 3 8N shall not  
41 be taken except to such extent, not to exceed 2 percent of the cost  
42 of any qualifying property.

43 Nothing in this section shall limit the authority of the commis-  
44 sioner to make adjustments to a taxpayer's liability upon audit or  
45 limit any other legal remedies available to the commissioner or  
46 the commonwealth against said taxpayer.

47 (c) The credit allowed by this section shall not be subject to the  
48 provision of section 32C.

49 (d) In the case of a taxpayer that is subject to a minimum  
50 excise under any provision of this chapter, the amount of the  
51 credit allowed by this section shall not reduce the excise to an  
52 amount less than such minimum excise.

53 (e) A taxpayer entitled to a credit under this section for any  
54 taxable year may, to the extent authorized pursuant to the life sci-  
55 ences tax incentive program established pursuant to section 5 of  
56 chapter 23I, carry over and apply to its excise for any 1 or more of  
57 the next succeeding 10 taxable years, the portion, as reduced from  
58 year to year, of those credits which were not allowed by  
59 paragraph (c) or which exceed the excise for the taxable year.

60 (f) In the case of corporations filing a combined return of  
61 income under section 32B, a credit generated by an individual  
62 member corporation under the provisions of this section shall first  
63 be applied against the separately determined excise attributable to  
64 that member, subject to the limitations of paragraph (c). A  
65 member corporation with an excess credit may apply its excess  
66 credit against the excise of another group member, to the extent  
67 that such other member corporation can use additional credits  
68 under the limitation of paragraph (c). Unused, unexpired credits

69 generated by member corporations shall be carried over from year  
70 to year by the individual corporation that generated the credit.

71 (g) The commissioner shall promulgate regulations necessary  
72 to implement the provisions of this section. Said regulations may  
73 provide for the adjustment of inter-company prices and elimina-  
74 tion of intercompany transactions to ensure that all amounts upon  
75 which the credit is based reasonably reflect fair market value. In  
76 addition, such rules and regulations shall include provisions to  
77 prevent the generation of multiple credits with respect to the same  
78 property.

79 (h) In the event that such credit allowed to a taxpayer under  
80 this section, or such credit as may be allowed under section 38N  
81 of this chapter as limited in this subsection, exceeds the excise  
82 otherwise due under this chapter, the balance of such credit may,  
83 at the option of the taxpayer and to the extent authorized pursuant  
84 to the life sciences tax incentive program established pursuant to  
85 section 5 of chapter 23I, be refundable to the taxpayer for the tax-  
86 able year in which qualified property giving rise to that credit is  
87 placed in service. If such credit balance is refunded to the tax-  
88 payer, then the credit carryover provisions of paragraph (d), and  
89 said section 38N, do not apply.

90 Section 38V. A taxpayer which is a certified life sciences com-  
91 pany pursuant to subsection (b) of section 5 of chapter 23I shall  
92 be allowed a deduction under section 30(4) of this chapter for that  
93 portion of qualified clinical testing expenses paid or incurred for  
94 the taxable year equal to the amount of the credit allowable for the  
95 taxable year under § 45C of the Code and otherwise disallowed as  
96 a deduction under § 280C(b) of said Code.

1 SECTION 20A. Section 38U and 38V are hereby repealed.

1 SECTION 21. Section 42B of said chapter 63, as so appearing,  
2 is hereby amended by adding the following paragraph:—

3 To the extent authorized pursuant to the life sciences tax incen-  
4 tive program established pursuant to section 5 of chapter 23I, a  
5 life sciences company shall be deemed to be a research and devel-  
6 opment corporation for purposes of exemptions under chap-  
7 ters 64H and 64I.

1 SECTION 21A. Said section 42B of said chapter 63 is hereby  
2 further amended by striking out the last paragraph, added by  
3 section 21.

1 SECTION 22. Section 6 of chapter 64H of the General Laws,  
2 as amended by section 12 of chapter 63 of the acts of 2007, is  
3 hereby further amended by adding the following paragraph:—

4 (xx) (1) As used in this section the following words shall,  
5 unless the context clearly requires otherwise, have the following  
6 meanings:—

7 “Life sciences”, basic and applied sciences, including the  
8 research and applications from core scientific fields such as  
9 biology, chemistry, engineering, information technology, mathe-  
10 matics and physics that may be integrated to expand the under-  
11 standing of human physiology and have the potential to lead to  
12 medical advances or therapeutic applications.

13 “Life sciences company”, a business corporation, partnership,  
14 firm, unincorporated association or other entity engaged in life  
15 sciences research, development, manufacturing, or commercializa-  
16 tion in the commonwealth, and any affiliate thereof, which is, or  
17 the members of which are, subject to taxation under this chapter.

18 “Utility support systems”, all areas of utility support systems  
19 including, but not limited to, site, civil, mechanical, electrical and  
20 plumbing systems.

21 (2) To the extent authorized pursuant to the life sciences tax  
22 incentive program established pursuant to section 5 of chapter 23I,  
23 sales of tangible personal property purchased for a life sciences  
24 company for use in connection with the construction, alteration,  
25 remodeling, repair, or remediation of the research, development or  
26 manufacturing facilities and the utility support systems. Only  
27 purchases made on or after the effective date of this section shall  
28 be eligible for this exemption.

1 SECTION 22A. Said section 6 of said chapter 64H is hereby  
2 further amended by striking out paragraph (xx), added by  
3 section 22.

1 SECTION 23. Notwithstanding any general or special law to  
2 the contrary, not less than 10 days after the effective date of this

3 act, the comptroller shall transfer \$9,500,000 from the General  
4 Fund to the Tufts' Cummings School of Veterinary Medicine New  
5 England Regional Biosafety Laboratory for a one-time grant to  
6 assist with construction and capital improvements; provided how-  
7 ever, that said facilities shall improve public health, protect public  
8 safety, improve science education, and stimulate economic devel-  
9 opment by providing the opportunity to translate laboratory dis-  
10 coveries into viable vaccines, therapies and cures for emerging  
11 infectious diseases and bioterrorist threats.

1 SECTION 24. Notwithstanding any general or special law to  
2 the contrary, not less than 10 days after the effective date of this  
3 act, the comptroller shall transfer \$2,500,000 from the General  
4 Fund to the Massachusetts Life Sciences Investment Fund, estab-  
5 lished pursuant to section 6 of chapter 23I of the General Laws;  
6 provided, however, that said funds shall be used to develop a com-  
7 prehensive, internet-based life sciences sector database pursuant  
8 to section 15 of said chapter 23I of the General Laws.

1 SECTION 25. Notwithstanding any general or special law to  
2 the contrary, to meet the expenditures necessary in carrying out  
3 the provisions of section 2B, the state treasurer shall, upon receipt  
4 of a request by the governor, issue and sell bonds of the common-  
5 wealth in an amount to be specified by the governor from time to  
6 time, but not exceeding, in the aggregate, \$500,000,000. All  
7 bonds issued by the commonwealth, as aforesaid, shall be desig-  
8 nated on their face, Life Sciences Center Capital Improvement  
9 Loan Act of 2008, and shall be issued for a maximum term of  
10 years, not exceeding 30 years, as the governor may recommend to  
11 the general court pursuant to Section 3 of Article LXII of the  
12 Amendments to the Constitution; provided, however, that all such  
13 bonds shall be payable not later than June 30, 2043. All interest  
14 and payments on account of principal on such obligations shall be  
15 payable from the General Fund. Bonds and interest thereon issued  
16 under the authority of this section shall, notwithstanding any other  
17 provisions of this act, be general obligations of the common-  
18 wealth.

1 SECTION 26. Notwithstanding any general or special law to  
2 the contrary, the University of Massachusetts at Dartmouth may  
3 acquire from the Massachusetts Development Finance Agency the  
4 land and improvements thereon located at 151 Martine street in  
5 the city of Fall River together with the accessory parking lot  
6 owned by said Massachusetts Development Finance Agency  
7 located on the north side of Martine street, hereinafter collectively  
8 referred to as the Advanced Technology Manufacturing Center,  
9 for an amount not to exceed \$11,400,000 and pursuant to such  
10 other terms as the parties may mutually agree; provided, however,  
11 that said conveyance shall be approved by the Board of Trustees  
12 of the University of Massachusetts and the board of directors of  
13 Massachusetts Development Finance Agency. Said conveyance  
14 shall be subject to a restrictive covenant prohibiting the University  
15 of Massachusetts at Dartmouth from occupying more than 60% of  
16 the total square footage of the Advanced Technology Manufac-  
17 turing Center at any time. The University of Massachusetts at  
18 Dartmouth may retain any rent, license fees, appropriations,  
19 grants, fees, or such other monies earned in connection with  
20 owning and operating the Advanced Technology Manufacturing  
21 Center and may apply such revenues solely to offset the costs  
22 associated with owning, operating, improving, leasing, licensing,  
23 managing, and maintaining the land and improvements that con-  
24 stitute the Advanced Technology Manufacturing Center.

1 SECTION 27. Notwithstanding any general or special law to  
2 the contrary, the Massachusetts Life Sciences Center, established  
3 pursuant to section 3 of chapter 23I of the General Laws, in col-  
4 laboration with the Massachusetts international trade council  
5 shall, subject to appropriation, facilitate and support joint acad-  
6 emic and industrial research and development and commercial  
7 business exchanges between the commonwealth and Israel in the  
8 area of life sciences; provided further, that, subject to appropria-  
9 tion, there shall be established a trade and incubator facility in  
10 Israel and a trade and incubator facility in Massachusetts facili-  
11 tated by the Massachusetts international trade council in consulta-  
12 tion with the Massachusetts office of international trade and  
13 investment, established pursuant to section 24 of chapter 23A of  
14 the General Laws, for collaborative, joint and pilot projects with

15 the Government of the State of Israel, the Boston Haifa Interna-  
16 tional Life Sciences Institute and others.

1 SECTION 28. Notwithstanding any general or special law to  
2 the contrary, the department of workforce development shall, sub-  
3 ject to appropriation and in consultation with the Massachusetts  
4 Life Sciences Center established in section 3 of chapter 23I of the  
5 General Laws, establish a program for intersection workforce  
6 training grants to provide training to enhance the technological  
7 workforce in areas including but not limited to, bioinformatics,  
8 biomedical engineering, biotechnology and nanotechnology; pro-  
9 vided further, that said grants may be used to provide work force  
10 training grants to the public college and university system,  
11 including community colleges, specifically geared toward creating  
12 life science employment opportunities and to identify and estab-  
13 lish career ladders for life science employment opportunities; and  
14 provided further, that said grants may be used to provide grants  
15 for summer programs for high school students, with appropriate  
16 stipends, that would allow interested and motivated students to  
17 intern in private or nonprofit corporations or in public programs  
18 that are in a position to further their interest, knowledge and expe-  
19 rience in the life science field; provided, however, that life sci-  
20 ences companies certified pursuant to section 5 of said chapter 23I  
21 of the General Laws, shall receive preference for said grants.

1 SECTION 29. Notwithstanding any general or special law to  
2 the contrary, the department of workforce development shall, sub-  
3 ject to appropriation and in consultation with the Massachusetts  
4 Life Sciences Center established in section 3 of chapter 23I of the  
5 General Laws, establish a program for biotechnology workforce  
6 training grants; provided further, that said grants may be used to  
7 provide work force training grants to the public college and uni-  
8 versity system, including community colleges, specifically geared  
9 toward creating life science employment opportunities and to  
10 identify and establish career ladders for life science employment  
11 opportunities; and provided further, that said grants may be used  
12 to provide grants for summer programs for high school students,  
13 with appropriate stipends, that would allow interested and moti-  
14 vated students to intern in private or nonprofit corporations or in

15 public programs that are in a position to further their interest,  
16 knowledge and experience in the life science field; provided, how-  
17 ever, that life sciences companies certified pursuant to section 5 of  
18 said chapter 23I of the General Laws, shall receive preference for  
19 said grants.

1 SECTION 30. Notwithstanding any general or special law to  
2 the contrary, the term of any member appointed to the board of  
3 directors of the Massachusetts Life Sciences Center, established  
4 pursuant to section 3 of chapter 23I of the General Laws, prior to  
5 the effective date of this act shall expire upon the effective date of  
6 this act; provided, however, that any appointed board whose term  
7 has expired pursuant to this section shall be eligible for reappoint-  
8 ment to said board.

1 SECTION 31. Notwithstanding any general or special law to  
2 the contrary, the Massachusetts Life Sciences Center established  
3 pursuant to section 3 of chapter 23I of the General Laws, in con-  
4 sultation with the department of agricultural resources, shall,  
5 subject to appropriation, establish a program to promote the  
6 research and development of plant-made pharmaceuticals through  
7 field trials approved under a permit or approved notification by  
8 the Biotechnology Regulatory Service of the Animal and Plant  
9 Health Inspection Service of the United States Department of  
10 Agriculture.

1 SECTION 32. Notwithstanding any general or special law to  
2 the contrary, the Massachusetts Life Sciences Center capital advi-  
3 sory council, as established in section 14 of chapter 23I of the  
4 General Laws in conjunction with the office of the state treasurer,  
5 shall conduct a study and provide recommendations to the Massa-  
6 chusetts Life Sciences Center established pursuant to section 3 of  
7 said chapter 23I of the General Laws on the feasibility of vetting  
8 and bundling life sciences enterprises for the purpose of securiti-  
9 zation of enterprises to create investment opportunities to provide  
10 seed capital for enterprises. For the purposes of this study, “enter-  
11 prise” shall be defined as a small business, as defined in  
12 chapter 23A or 40F of the General Laws, with its principal place  
13 of business in the commonwealth and which is, or proposes to be,

14 engaged in manufacturing or research and development in the area  
15 of life sciences research. Said capital advisory board shall report  
16 its findings to the house and senate committees on ways and  
17 means and the joint committee on economic development and  
18 emerging technologies no later than March 31, 2009.

1 SECTION 33. Notwithstanding any general or special law to  
2 the contrary, the Massachusetts Life Sciences Center, established  
3 pursuant to section 3 of chapter 23I of the General Laws, shall  
4 investigate the feasibility of increasing the number of clinical  
5 trials conducted, or expediting the process of conducting clinical  
6 trials in the commonwealth, by life sciences companies in the  
7 commonwealth. Said center shall report its findings to the house  
8 and senate committees on ways and means, the joint committee on  
9 economic development and emerging technologies, the joint com-  
10 mittee on public health and the joint committee on health care  
11 financing no later than March 31, 2009.

1 SECTION 34. Notwithstanding any general or special law to  
2 the contrary, the Massachusetts Life Sciences Center, established  
3 pursuant to section 3 of chapter 23I of the General Laws, shall  
4 conduct a study of ways in which to enhance coordination  
5 between the angel investor community and the life science  
6 industry. Said center shall report its findings to the house and  
7 senate committees on ways and means and the joint committee on  
8 economic development and emerging technologies no later than  
9 March 31, 2009.

1 SECTION 35. Notwithstanding any general or special law to  
2 the contrary, the undersecretary of the department of business  
3 development shall, in conjunction with the Massachusetts Devel-  
4 opment Finance Agency, conduct a study of developing and  
5 implementing a program to identify and pre-permit municipal,  
6 state, and other publicly owned land, and private land for indus-  
7 trial space suitable for life sciences businesses; provided further  
8 that the undersecretary of the department of business development  
9 shall consult with the Massachusetts Life Sciences Center, estab-  
10 lished pursuant to section 3 of chapter 23I of the General Laws,  
11 the Massachusetts alliance for economic development and the

12 department of capital asset management and maintenance in the  
13 conduct of said study; provided further, that the study shall  
14 include, but not be limited to, the availability of services and  
15 amenities necessary for life sciences companies in the areas to be  
16 pre-permitted including proximity to community colleges, ade-  
17 quate transportation, water and electricity infrastructure, available  
18 workforce training, and proximity to other life sciences compa-  
19 nies. The undersecretary of the department of business develop-  
20 ment shall file a report together with recommendations for  
21 legislation, if any, with the clerks of the house and senate, the  
22 chairs of the house and senate committees on ways and means and  
23 the chairs of the joint committee on economic development and  
24 emerging technologies no later than March 31, 2009.

1 SECTION 36. Notwithstanding any general or special law to  
2 the contrary, to total administrative and operational expenses of  
3 the Massachusetts Life Sciences Center established pursuant to  
4 section 3 of chapter 23I of the General Laws shall not exceed  
5 \$3,750,000 annually.

1 SECTION 37. There shall be a special commission to investi-  
2 gate, study, and evaluate the feasibility of constructing and oper-  
3 ating a School of Pharmacy and Health Sciences within the  
4 University of Massachusetts campus system.

5 Due to the growing nationwide shortages of pharmacists and  
6 biomedical researchers, the special commission shall address, but  
7 not limit itself to studying all aspects of constructing, operating,  
8 and staffing said college to maintain a Masters and PharmD pro-  
9 grams, as well as a Masters programs in a variety of health  
10 science related fields.

11 The special commission shall consist of the speaker of the  
12 house of representatives or his designee who shall serve as co-  
13 chairman with the senate president or her designee; the house and  
14 senate chairs of the joint committee on higher education or their  
15 designee; the house and senate minority leaders or their designee;  
16 the director of the board of registration in pharmacy or his  
17 designee; the president of the University of Massachusetts or his  
18 designee; the secretary of the executive office of economic devel-  
19 opment or his designee; the governor's special advisor for educa-

20 tion or his designee; the chairman of the Massachusetts board of  
21 higher education or his designee; the secretary of the executive  
22 office of labor and workforce development or her designee.

23 Said commission may consult with other government agencies,  
24 both federal and state, as well as members of the health care com-  
25 munity and the general public. The said commission shall file its  
26 report, including any recommendations or legislation with the  
27 house and senate clerks on or before April 6, 2009.

1 SECTION 38. Notwithstanding any general or special law to  
2 the contrary, the department of revenue shall annually file a report  
3 with the chairs of the house and senate committees on ways and  
4 means, the chairs of the joint committee on economic develop-  
5 ment and emerging technologies and the chairs of the joint com-  
6 mittee on revenue which shall include, but not be limited to, a  
7 detailed description and a numerical accounting of all tax incen-  
8 tives awarded to life sciences companies certified pursuant to  
9 section 5 of chapter 23I of the General Laws.

1 SECTION 39. Subsection (d) of section 5 of chapter 23I of the  
2 General Laws, as appearing in section 9, shall take effect on Jan-  
3 uary 1, 2009 and shall expire on December 31, 2018.

1 SECTION 40. Sections 14, 15, 16, 17, 18, 19, 20, 21 and 22  
2 shall take effect on January 1, 2009.

1 SECTION 41. Sections 14A, 15A, 16A, 17A, 18A, 19A, 20A,  
2 21A and 22A shall take effect on December 31, 2018.