BILL NUMBER House, No. 4501

TITLE An Act providing continued investment in the life sciences industry in the Commonwealth

CURRENT LAW

The Massachusetts Life Sciences Initiative, established by Chapter 130 of the Acts of 2008, and codified as part of the Massachusetts Life Sciences Center (MLSC) under M.G.L. chapter 23I, is a 10-year, $1 billion authorization by the state in the life sciences sector. The MLSC is funded and operates from three sources:

- *The Capital Program*: The enabling statute authorized up to $500 million in bond dollars to support capital investments in infrastructure and equipment related to advancing life sciences research, development, education and training, or commercialization in Massachusetts. These grants are issued to non-profit entities, such as schools, research centers, hospitals, and business incubators.
- *The Life Sciences Tax Incentive Program*: The enabling statute authorized up to $25 million in tax incentives each year to companies engaged in life sciences research and development, commercialization, and manufacturing.
- *The Life Sciences Investment Fund*: Established as part of the 2006 economic development bill, this fund serves to support grants, loans, qualified investments, and the operations of the MLSC. The investment fund is supported annually by appropriations from the Legislature.

The MLSC operates under a Board of Directors that is comprised of seven members from state government, academia, and industry. The Secretary of the Executive Office of Administration and Finance and the Secretary of the Executive Office of Housing and Economic Development, or their designees, serve as co-chairs of the board. No funds can be disbursed by the MLSC without the approval of the board.

SUMMARY

The proposed bill seeks to continue financing existing programs, with some modifications, in an effort to further promote development of the life sciences ecosystem. More specifically, the bill would:

- Provide an additional $462.97 million in capital spending for the Massachusetts Life Sciences Investment Fund, established by M.G.L. chapter 23I, §6, in order to facilitate job growth through capital grants that advance education, workforce development, and early-stage company growth through spaces dedicated to life sciences, advanced bio-manufacturing, and scientific innovation. Within that authorization, the bill provides $149.75 million in targeted capital investments throughout the University of Massachusetts to build on existing infrastructure by strategically expanding and equipping facilities and research spaces based on regional assets and emerging opportunities for students, faculty, and professionals across the UMass system in the commonwealth's innovative life sciences ecosystem. In addition, the bill provides $10 million in capital dollars to support imaging at the Marine Biological Laboratory and $3.22 million in authorization for the Massachusetts Maritime Academy to advance workforce development.

- The capital funds authorized in this bill shall also be used for grants to increase diversity in the life sciences and biotechnology industries.

- The bill further directs the center, with regard to fellowships, internships, and co-ops, to give additional consideration for minority high school and community college students, and also includes a data collection and reporting requirement for the capital grants and internships related to increasing diversity.

- Extend the Life Sciences Tax Incentive Program sunset from December 31, 2018 to December 31, 2028.

- Amend the existing statutory cap on the Life Sciences Tax Incentive Program by raising the cap from $25 million to $30 million annually. This shall take effect on January 1, 2019.

- Make a technical correction relative to the sunset extension as it pertains to the value of any tax incentive award under the life sciences tax incentive program that may extend beyond December 31, 2028. Any tax incentive award extending beyond that date shall be taken into account during the year awarded, and any tax benefits potentially realized after December 31, 2028 shall be counted against the annual ceilings for years ending prior to January 1, 2029.

- Provide that the balance of line item 7002-0015 shall be extended through June 30, 2018 in order to provide the continued availability of a bond-funded spending authorization that would otherwise expire. This is the line item number used for the capital authorization in the 2008 Life Sciences Initiative.

- Directs the comptroller to transfer one-half of the consolidated net surplus, up to $10 million, to the Massachusetts Life Sciences Investment Fund established by M.G.L. chapter 23I, §6.