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MTF Summary of the Mass Leads Act:

The Healey-Driscoll Administration's Economic Development Bond Bill

On March 1st, the Healey-Driscoll administration unveiled their economic development bill, titled *An Act Relative to Strengthening Massachusetts' Economic Leadership* or the Mass Leads Act. Through $2.815 billion in capital spending authorizations, $675 million in additional tax credits over ten years, and a number of policy provisions, the bill puts into action many of the elements of the Healey-Driscoll administration's economic development plan, released in December of 2023.

This Brief will break down each of the major components of the bill. Specifically, it will:

1. Identify and examine the key themes of the bill;
2. Put the bill in context with recent economic development bond bills and the state's Capital Investment Plan (CIP);
3. Summarize major spending, tax, and policy proposals in the bill; and
4. Highlight takeaways from the bill and pose key questions for policymakers.

Big Picture

Over the past two decades, a biennial economic development bill, which provides long-term capital investments and policy changes, has become a fixture of the second year of the legislative session. This year, the economic development bill takes on added significance for several reasons:

- It is the first economic development bill of the Healey-Driscoll administration;
- It follows the release of the administration's economic development plan; and
- It comes at a time when the state's successful life sciences initiative requires reauthorization.

The administration's identification of economic development as a key element of their agenda is reflected in the bill's numbers. The bill includes more capital authorizations than the prior three economic development bills combined, while also proposing $650 million in life sciences and climatetech tax credits over a ten-year period.

At a basic level, the bill has three policy themes:

- **Life Sciences** – reauthorizing annual investments to maintain and grow investment in the sector;
- **Climatetech** – introducing a range of tax, policy, and capital spending initiatives designed to position Massachusetts as a leader in this emerging sector;

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- **Economic Development** – more general investments in economic development programs around the state and a host of policy proposals. The investments and policies generally flow from the recent five-year economic development plan.

Like the administration's Affordable Homes Act, Mass Leads is notable for its financial and policy scope, as well as the questions it raises about how these investments will fit into the state's already constrained capital budget.

Capital Authorizations

The administration's economic development bill includes $2.815 billion in bond authorizations for 38 separate programs. The majority of those authorizations, $1.915 billion, support economic development investments over the next five years, while $900 million is authorized over a ten-year period for the Massachusetts Life Sciences Center (MLSC) and for climatetech.

Summary of Authorizations in Mass Leads

Type	FY 2025 - FY 2029	FY 2030 - FY 2034	Total	Annual Authorization
Reauthorizations (Economic Development)	$1,255.0	$0.0	$1,255.0	$251.0
New Programs	$660.0	$0.0	$660.0	$132.0
Life Sciences	$250.0	$250.0	$500.0	$50.0
Climatetech	$200.0	$200.0	$400.0	$40.0
Total	**$2,365.0**	**$450.0**	**$2,815.0**	**$473.0**

$ in millions

Aside from the reauthorization of the MLSC and the new climatetech investment, the bill authorizations are split between 11 existing programs that have been authorized since 2018, and 13 new or revived programs.

If all of the proposed authorizations were expended over the next five years, it would require $473 million from the state's annual bond cap. In FY 2024, economic development is slated to receive $242 million in state capital spending, with library aid (authorized in Mass Leads) receiving a further $25 million through an authorization under the Executive Office for Administration and Finance (ANF).

Economic Development Proposal and the Capital Budget

At $2.815 billion, Mass Leads proposes as much in authorizations as the last three economic development bills combined. Part of this difference is because this bill includes $450 million in

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life sciences and climatetech authorizations for spending between FY 2030 and FY 2034, but even after accounting for this, the increased scope of Mass Leads is apparent.

Mass Leads v. Prior Three Economic Development Bills

	Five Year Authorization	Difference with Mass Leads
Mass Leads (5 Year Authorization)	$2,365.0	NA
2023 Economic Development	$740.3	-$1,624.7
2020 Economic Development	$626.5	-$1,738.5
2018 Economic Development	$1,153.6	-$1,211.4
2018 - 2023 Total	**$2,520.4**	**$155.4**

$ in millions

On an annual basis, the Mass Leads Act would require $473 million in economic development capital spending per year to meet the total authorization level. As MTF noted in our summary of the Affordable Homes Act, authorizations provide an upper bound for capital spending and actual expenditures are typically 50 to 70 percent of the allowable amount. However, even assuming a one-third drop-off between authorized and actual spending, Mass Leads will still require a significant increase in the share of the capital budget dedicated to economic development, life sciences, and climatetech.

Mass Leads at Two-Thirds v. Recent Capital Spending Plans

Year	Ec. Dev. in Capital Plan	Mass Leads at 66%	Difference
FY 2020	$210.4	$315.3	-$104.9
FY 2021	$218.1	$315.3	-$97.2
FY 2022	$209.0	$315.3	-$106.3
FY 2023	$245.0	$315.3	-$70.3
FY 2024	$242.0	$315.3	-$73.3
Total	**$1,124.5**	**$1,576.5**	**-$452.0**

$ in millions

As the table above demonstrates, economic development spending in the state's capital budget has been relatively consistent over the last four years and has typically comprised about eight percent of general obligation supported capital spending, which constitutes the state's annual bond cap. In order for the state to cover two-thirds of the amount authorized in Mass Leads, that share will need to grow by about $75 million over the current level.

Increasing annual economic development capital spending by $75 million or so is possible, but those increases would need to occur in a capital spending plan that will also need to accommodate significant new demands for housing – as proposed in the Affordable Homes Act, and new investments in climate infrastructure – as an environmental bond bill is likely in 2025.

Major Authorizations in Mass Leads

In order to understand the scope of Mass Leads, it is helpful to break the bill down into categories of authorization:

- Economic development reauthorizations;
- Economic development new authorizations; and
- Life sciences and climatetech authorizations.

The sections below highlight the largest authorizations in these categories.

Economic Development Reauthorizations ($1.255 billion over five years)

A little over half of the five-year authorizations in Mass Leads are dedicated to recapitalizing existing programs (not including the Mass Life Sciences Center). On an annualized basis, the bill allows for up to $251 million to be spent, compared to $221.7 million in planned spending for these programs in FY 2024 under the current CIP.

Capital Reauthorizations in Mass Leads

Program	Total	Annualized	Current Amount
MassWorks	$400.0	$80.0	$96.0
Library Construction Grants	$150.0	$30.0	$25.0
Seaport Economic Council	$100.0	$20.0	$13.5
Rural Development Program	$100.0	$20.0	$5.0
Other	$505.0	$101.0	$82.2
Total	**$1,255.0**	**$251.0**	**$221.7**

Almost 60 percent ($750 million) of the reauthorizations go towards four programs:

- *MassWorks ($400 million)* –MassWorks is the state's flexible capital grant program for municipalities and other public entities. The program provides cities and towns with capital resources for infrastructure improvements that have the potential to increase economic activity. In the state's current CIP, MassWorks is slated to provide $96 million in grants in FY 2024.

- *Library Construction Grants ($150 million)* – The state's Board of Library Commissioners funds library renovation, expansion, and construction projects throughout the Commonwealth. In FY 2024, the CIP includes $25 million for these grants.
- *Rural Development Fund ($100 million)* – The bill authorizes $100 million over five years to capitalize the Rural Development Fund. The state already provides a small level of rural development assistance through the capital budget, $5 million is planned for FY 2024, but this authorization is significantly increased. The bill also proposes codifying the Rural Development Program which provides municipalities, community development corporations (CDCs), and other non-profits with grants to spur economic activity in rural areas.
- *Seaport Economic Council ($100 million)* – The state's Seaport Economic Council provides grants to support fishing and marine economic activity in coastal communities. The program is slated to provide $13.5 million in grants in FY 2024. Under the language in this authorization, there is a requirement that any seaport grant consider climate change adaptation and mitigation as part of the planning and implementation process.

New Economic Development Programs ($660 million over five years)

A further $660 million is authorized for seven new programs unrelated to life sciences or climatetech. These authorizations would add up to $132 million in annual economic development spending in the state's capital investment plan.

New Economic Development Authorizations in Mass Leads

Program	Total	Annualized
MassImpact Transformational Projects	$250.0	$50.0
Applied AI Hub	$100.0	$20.0
Local Economic Development Grants	$100.0	$20.0
Massachusetts Educational Financing Agency	$85.0	$17.0
Emerging Technology Support	$75.0	$15.0
Business Builds Capital	$25.0	$5.0
Robotics Investment	$25.0	$5.0
Total	**$660.0**	**$132.0**

Two-thirds of the new authorizations are directed towards three programs:

- *Transformational Project Support ($250 million)* – The bill proposes a new Mass Impact capital program intended to provide a significant, flexible pool of funds for the Executive Office of Economic Development to support a variety of needs for "large,

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transformational" projects. The idea behind this initiative is to ensure that when unique economic development opportunities present themselves, the state is in a position to tap into funds for uses that might not otherwise fit into existing capital programs. The need for a program like this was highlighted in the administration's five-year economic development plan.

- *Applied AI Hub ($100 million)* – The bill proposes $100 million for the Massachusetts Technology Collaborative (MTC) to foster the Artificial Intelligence sector in the state. The intent is for the program to comport with the strategic vision and priorities of the AI Strategic Task Force that the Governor named in February. The authorization specifically cites the potential role AI could play in the life sciences, health care, financial services, manufacturing, robotics, and education sectors.
- *Local Economic Development Grants ($100 million)* – The bill proposes a new municipal economic development grant program, outside of MassWorks, authorized at $100 million. The program's scope is broad, defining allowable economic development uses to include workforce, tourism, higher education, as well as arts and culture.

Life Sciences & Climatetech ($900 million over ten years)

The Mass Leads Act reauthorizes the state's life sciences initiative for ten years, providing $500 million in capital support over that time. The bill also makes a big bet on climatetech with a further $400 million in authorizations to support the state's wind industry and assist emerging climate change prevention and mitigation technologies.

- *Massachusetts Life Sciences Center ($500 million)* – The bill authorizes the MLSC to use $500 million in capital resources through the Massachusetts Life Sciences Breakthrough Fund over the next ten years. The bill strikes and replaces the existing MLSC Investment Fund, which is authorized to spend $35 million in FY 2024, and replaces it with the new Breakthrough Fund.

  The revised MLSC fund includes several new allowable uses for MLSC grants and loans, including initiatives to support:
  - AI use in the sector;
  - Health equity through developing treatments for conditions that have a disproportionate impact on disadvantaged populations;
  - Biomanufacturing and supply chain resiliency;
  - Fiversity within the life sciences sector; and
  - A new program to provide direct investment in early-stage life sciences companies.

- *Clean Energy Investment Fund ($200 million)* – The bill provides $200 million to the Clean Energy Investment Fund, administered by the Clean Energy Center (CEC). This fund was created in 2022 and was initially capitalized with $50 million in surplus resources. The fund can be used to support climatetech and cleantech businesses in the state, support related workforce programs, deploy clean energy technologies, and provide state matches for federal clean energy resources.

- *Wind Industry Investment Trust Fund ($200 million)* – Also created in 2022, the Wind Industry Investment Trust Fund is administered by the CEC and is intended to support wind energy technology deployment in Massachusetts, support the wind industry in the Commonwealth, and develop a workforce for the sector. The Fund was originally capitalized with $90 million appropriated in a 2021 COVID recovery bill.

Tax Provisions

In addition to authorizing close to $3 billion in capital spending, Mass Leads also includes approximately $675 million in new or increased tax credits over a ten-year time period. The vast majority of this amount ($500 million) is related to the life sciences reauthorization and climatetech initiative.

In light of state tax collections continuing to disappoint, the administration's plan is notable for including economic triggers for several of the proposals that will delay implementation until revenue benchmarks are hit. Both the internship tax credit and the live theater tax credit, described below, are made effective in the first tax year after the end of a fiscal year with a surplus of $400 million or more.

Life Sciences Tax Proposals ($200 million increase over ten years)

Currently, the MLSC can offer certified life sciences companies a suite of tax credits related to the acquisition of property, research, capital investment, and job creation. The specific credits on offer must be approved by the MLSC board and the Executive Office for Administration and Finance (ANF). Currently, there is a $30 million annual cap on the total cost of credits awarded in previous years (though ANF can administratively implement a lower cap).

The administration proposes increasing the annual statutory cap to $50 million, resulting in up to $200 million in credits over a ten-year period. In addition, the bill proposes eliminating an existing angel investment tax credit currently available for certain investments in early-stage life sciences companies. Currently, this angel investment tax credit has an annual cost of less than $1 million.

Climatetech Tax Proposals ($300 million over ten years)

The administration proposes mirroring the life sciences tax credit program within the Clean Energy Center to support climatetech investments. The annual cost of previously awarded credits cannot be greater than $30 million and, as with the life sciences tax credit, the annual cost can be capped at a lower level. Specific climatetech tax credits incorporated within the program include:

- Job incentive refundable credit;
- Capital investment refundable credit;
- Several tax credits for eligible research costs; and
- Sales tax exemption for material inputs for climatetech products.

Credits would only be available to certified climatetech companies that provide documentation to the Clean Energy Center, including estimates for state tax revenues likely to be generated by the product in development, as well as information related to employment, jobs, and investments at the company. The CEC would award credits to certified companies with the approval of ANF. CEC is required to develop success benchmarks to assess the efficacy of the tax programs.

The administration also proposes expanding eligibility and lowering requirements for companies applying for the state's offshore wind tax credit, which will allow more companies to participate and increase the annual impact. The credit, which was first effective in tax year 2023, is intended to incentivize offshore wind job creation and capital facility investment. Currently, the credit is only eligible for companies committing to at least 50 new jobs or making investments in facilities that employ at least 200 people. Mass Leads would reduce the job creation minimum to 10 and the total employment minimum to 50, thereby seeking to improve access to the program for smaller operators within the offshore wind industry.

Other Tax Provisions ($150 million over ten years)

The bill also includes several tax proposals unrelated to life sciences and climatetech investments. These tax provisions have an annualized cost of $20 million, which will total $100 million over the next five years. Tax provisions include:

- *Economic Development Incentive Program (EDIP) Expansion (up to $5 million annually)* – The bill makes several significant changes to the state's EDIP tax program which provides state income and excise tax credits to investments that commit to job creation/retention and/or investment goals. Municipalities can also offer local property tax relief through the EDIP program. The administration's proposal:
  - Eliminates an existing $5 million cap on EDIP credits refundable in a given year;
  - Eliminates an existing cap on the percent of a company's tax liability against which the EDIP credit can be applied;
  - Reduces reporting requirements for EDIP recipients;

  - Eliminates a $500K limit on EDIP credits allowed for the vacant storefront program;
  - Expands allowable uses for expansion projects; and
  - Eliminates the requirement that the state must approve local property tax exemptions and that municipalities must endorse state EDIP applications.

  In FY 2023, the state awarded just under $9 million in EDIP credits to 13 projects around the state, while municipal EDIP awards went to 26 projects providing $86.9 million in property tax relief.

- *Internship Tax Credit ($10 million cap; sunset after 5 years)* – The bill establishes an internship tax credit available to employers for the next five years. Under the credit, employers can receive up to a $5K credit for each eligible paid intern it hires. Eligible interns must attend or be recent graduates of Massachusetts-based institutions of higher education and must be employed for at least 12 weeks. In order to be eligible, employers must demonstrate that they have increased the number of interns over the average number of interns employed over the prior three years.

  The annual cost of the credit is capped at $10 million and is sunset after five years. Under the proposal, the credit will not go into effect until the first tax year after a fiscal year in which the state achieves an end of year surplus of at least $400 million.

- *Live Theater Tax Credit ($5 million cap; sunset 5 years after going into effect)* – The bill also proposes a ten-year tax credit pilot program for live theater performances. The proposal, which caps the amount of the credit for any single production at $5 million, is intended to offset costs related to expanding pre-Broadway, pre-off Broadway, or national tour productions. The administration included the same proposal in their original tax relief legislation in 2023.

  As with the internship tax credit, the live theater tax credit will not go into effect until the state ends a fiscal year with a $400 million surplus and will sunset after 10 years.

Other Policy Proposals

Mass Leads includes 160 policy sections that cover a wide array of topics in addition to the tax changes listed above. The large number of policy sections is not atypical for an economic development bill.

Policy Sections in Recent Economic Development Bills

Gov. Baker 2020	Gov. Baker 2022	Gov. Healey 2024
200	137	160

The proposals in the Healey-Driscoll administration's bill generally fall into several broad categories:

- Tax (covered above);
- Life sciences;
- Climatetech;
- Reducing barriers to development;
- Reducing barriers to economic access.

***Life Sciences** (Sections: 35 through 54, 102 & 103, 109 through 111, 123)*

The bill proposes the largest update to the state's Life Sciences initiative since its creation in 2008. The two-thirds increase in the annual tax credit cap, from $30 to $50 million, is perhaps the most notable change, but several other sections update the initiative's mission, tools, and purpose. Changes include:

- Changing the membership of the Mass. Life Sciences Center (MLSC) board, adding two members, and making changes to the qualifications of several members.
    - One of the new qualifications is the requirement that one member have "significant experience in the health equity subsector of the life sciences sector."
- Expanding the definition of 'life sciences' to include the development of preventative medicine as an appropriate area of research.
- Changing the name and updating the scope and purpose of the MLSC's primary funding mechanism. The new Mass. Life Sciences Breakthrough Fund has greater flexibility to support a variety of programs and has six new allowable areas for support.
    - A new provision allows the MLSC to make investments of up to $250K in early-stage life sciences companies that meet eligibility requirements.

***Climatetech and Clean Energy** (Sections 8, 55 through 69, 71 through 76, 96, 108, 112 through 114, 128 through 130, 142, 149, and 163.)*

The bill defines climatetech as "clean energy, other advanced, and applied technologies that contribute to the decarbonization of the economy, reduce and mitigate greenhouse gas emissions, or mitigate the impacts of climate change through adaptation, resiliency and environmental sustainability."

With that definition, the bill incorporates climatetech throughout CEC's mission and purpose. For example, climatetech is added as an allowable area of support for four existing climate and energy trust funds, including the Massachusetts Renewable Energy Trust Fund and the Clean Energy Investment Trust Fund. The bill also establishes the climatetech tax incentive program described above.

In addition to these climatetech proposals, the bill also puts forward a regulatory system for electric vehicle charging stations. Under the proposal, the state's Division of Standards would be responsible for regulating charging stations and ensuring that vehicle owners can be confident in the charge they are receiving.

Barriers to Development *(Sections 29, 31 through 33, 91 through 95, and 148)*

The bill includes a variety of provisions broadly intended to reduce barriers to development and economic investment around the state.

One of the most notable proposals in this area relates to state and local permitting of new or expanding businesses. The bill expands the powers of the existing Permit Regulatory Office (housed within EOED). This office is designed to help businesses navigate state and local permitting requirements and help municipalities develop an expedited permitting process. Under the proposal, the office would have the authority to rule on municipal proposals for priority permitting. The office would also take on the function of an existing interagency permitting board, which would be eliminated under the bill.

The bill also seeks to support development by allowing projects that have already been vetted and approved with more time to begin construction and reduce the risk of those projects being affected by new zoning language passed after the project's initial approval:

- The bill provides a blanket two-year permit extension for state and local permits for projects approved during a tolling period covering 2023 and 2024;
- The bill would also protect projects approved under municipal special permits from retroactive zoning changes for three years, the current protection is one year.

Reducing barriers to development in rural communities is a priority of the bill. In addition to the significant increase in authorized funding for the Rural Development Fund, described above, the bill puts the Rural Development program in state statute and expands the definition of a rural community. Currently, a rural community is defined as having a population density of less than 500 people per square mile. Under the new definition, any community with a population of less than 7,000 would also be classified as rural.

Barriers to Workforce & Small Business Access *(Sections 34 77, 78, 131, & 147)*

The bill includes several provisions designed to make it easier to connect people to the workforce and reduce barriers for small businesses to compete for larger contracts. For example, in the case of workforce, the bill:

- Expands the allowable uses of Workforce Investment Trust Fund resources to allow them to be used to expedite work authorizations for recent immigrants and to provide necessary training and language skills.
- Creates a new, more streamlined process for foreign-trained physicians to be fully licensed in Massachusetts, enabling them to work under a limited license while awaiting full licensure.

The bill also looks to remove barriers to capital and access for small businesses and contractors. The bill:

- Expands the state's Microbusiness program by allowing businesses with up to 10 employees and revenues of up to $250,000 to participate. The proposal would expand the microbusiness definition to all regions of the state. Currently, microbusinesses must also be located in census tracts with household incomes no greater than 80 percent of the statewide median household income.
- Charges EOED with establishing a new five-year surety bond assistance pilot program, supported with federal funds pending US Treasury approval. Contractors have to provide surety bonds when bidding on larger contracts. Surety bonds are used to cover the cost of unfinished work or damages if the contractor does not fulfil their obligations. The cost of surety bonds, especially for small or beginning contractors, can be prohibitive. The pilot program would:
    - Provide contractors with assistance in securing surety bonds;
    - Provide financial assistance for surety bonds for public projects.

Putting it All Together

The Mass Leads Act is the second ambitious capital spending bill put forward by the Healey-Driscoll administration this legislative session. The bill follows the blueprint set forth in the recently released *Team Massachusetts: Leading Future Generations* economic development plan with a clear focus on maintaining Massachusetts' primacy in life sciences, supporting development in new sectors, and removing barriers to economic growth.

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Key takeaways from the bill are:

Maintaining and updating the state's commitment to life sciences makes sense. The ten-year reauthorization will provide the MLSC and the sector with needed predictability for continued state engagement. Increasing the cap on tax credits, while retaining administrative discretion over spending in a given year, is prudent; and modernizing the life sciences initiative statute to reflect a changing sector and the vital importance of health equity is wise.

The time is now to support the climatetech sector. Private and public investment in climatetech and clean energy is growing rapidly and it is unclear which technologies and which regions will shape the future of the industry. If Massachusetts can replicate its success in developing a life sciences ecosystem in clean energy, the benefits to the state, its workforce, and the overall economy will be enormous. That success is by no means guaranteed and public support is only one piece of the puzzle. However, using the playbook of the life sciences initiative to incentivize investment in Massachusetts, makes sense given the possible return.

Reducing policy barriers to economic growth requires attention. Among the bill's many policy provisions, the sections designed to reduce existing obstacles to economic growth stand out. Providing protections for approved and vetted development projects to move forward, providing a path for trained workers to ply their trade, and considering how small contractors can compete for larger projects are all good ideas that could have just as big a long-term impact as new capital spending.

Capital resources to support new spending are limited. In order for the capital spending ambition of this bill to be fulfilled, it will require a large increase in annual capital spending on economic development. That increase would be challenging at any time, but those challenges will be exacerbated given the demands that housing, transportation, and climate change will also put on the capital spending plan.

Next Steps & Key Questions

The next step for the Mass Leads Act is a hearing before the Joint Committee on Economic Development and Emerging Technologies. That committee will then likely report the bill out favorably, providing the first indication of the House and Senate's economic development priorities. The bill will also require consideration by the Joint Committee on Bonding before any action is taken by the House.

Timeline for Recent Economic Development Bills

	Filed by Governor	Engrossed by House	Engrossed by Senate	Enacted
2018 Ec. Dev. Bill	March 9th	July 10th	July 25th	July 31st
2020 Ec. Dev. Bill	March 4th	July 28th	July 29th	January 5th
2022 Ec. Dev. Bill	April 21st	July 14th	July 21st	November 3rd

Historically, the economic development bill is resolved at the very end of July as the legislature concludes its formal session calendar. Hopefully, this year's bill will have a more straightforward path than either the 2020 or 2022 economic development bills, which were derailed by the pandemic and 62F tax rebates, respectively. A more traditional timeline for action is critical in 2024.

As the House and Senate consider the bill, there are several key questions that policymakers will have to answer:

- ***What's missing?***
  Mass Leads covers a wide range of policy topics, but there are additional opportunities to remove barriers to economic activity. In the area of development, the House and Senate could build on the bill's permit extension provision and look to California's Housing Crisis Act which requires communities to demonstrate the satisfaction of certain conditions in any case where affordable or moderate housing developments are denied or severely restricted. The bill could also streamline the state's Environmental Impact Process in cases where regulatory officers determine adverse environmental effects are unlikely and create a state managed variance process for development projects to present alternative ways to meet energy code standards while still achieving climate goals.

  In the case of workforce, MTF recently partnered with the Massachusetts Business Roundtable to produce a report on Minority Serving Institutions. The report offers several recommendations to better coordinate and support connecting communities of color with emerging sectors. The House and Seante should consider language that requires most students to fill out the FAFSA in order to graduate from high school. While the form is complicated, increasing Massachusetts' completion rate will result in millions of additional federal financial aid for qualifying students and will incentivize more students to pursue postsecondary education.

- ***What's the right scope?***

As with the Affordable Homes Act, the legislature will have to assess whether the ambitious scope of this bill sets the right expectations for capital spending in the years to come. Major increases to both housing and economic development capital spending are not possible within the current capital budget. The question for the legislature is whether or not to pare down the amounts authorized, leave it to the administration to prioritize spending within the capital plan, or propose sustainable ways to increase capital spending.

- ***What is the timeline for action?***
  In each of the last two sessions, the economic development bill has not been enacted until well after the typical July 31st deadline. In 2020, the bill was caught up in the legislative uncertainty that accompanied the pandemic. While the House and Senate acted on their versions of the bill prior to the normal end of session, conference committee deliberations were not concluded until the end of the legislative session in January. In 2022, the emergence of $2.9 billion in 62F refunds to taxpayers brought economic development negotiations to a halt and ultimately a scaled-down version of the bill was enacted in November with all bonding authorizations removed.

  While both of those events were unique, a busy end-of-session calendar and major differences in economic development proposals contributed to the delay. It is likely that any legislative action on economic development will not occur until after the conclusion of the Senate budget, but getting to conference committee in June, as opposed to July, will increase the chances of timely resolution.