



July 31, 2020

Representative Aaron Michlewitz
Chair, House Committee on Ways & Means
State House, Room 243
Boston, MA 02133

Senator Michael J. Rodrigues
Chair, Senate Committee on Ways and Means
State House, Room 212
Boston, MA 02133

Representative Ann-Margaret Ferrante
Chair, Joint Committee on Economic
Development and Emerging Technologies
State House, Room 42
Boston, MA 02133

Senator Eric P. Lesser
Chair, Joint Committee on Economic
Development and Emerging Technologies
State House, Room 410
Boston, MA 02133

Representative Donald H. Wong
Massachusetts House of Representatives
State House, Room 541
Boston, MA 02133

Senator Patrick M. O'Connor
Minority Whip
State House, Room 419
Boston, MA 02133

Dear Honorable Conferees,

On behalf of the Greater Boston Chamber of Commerce, I am writing about key provisions for our members in H.4887 and S.2842 *An Act enabling partnerships for growth*. The economic toll of the COVID-19 pandemic and associated economic shutdown is unparalleled and we thank both the House and Senate for advancing versions of this important legislation that offers investments in our workforce and reforms to begin the first phase of economic recovery. As the conference committee reconciles the differences between the House and Senate versions of this bill we ask that you consider the following provisions and their impact on the state's economy both during the ongoing economic recovery as well as in the future:

Support, with modifications - Section 22 of S.2842: Bad Faith Assertions of Patent Infringement

The Chamber supports the sections that would stop bad faith patent demand letters, but a crucial clarification to Section 22 of S.2842 is necessary to protect good actors from unintended consequences. Specifically, language in section 3(b) exposes original patent owners to lawsuits if someone in the future acts in bad faith. The phrases "otherwise, directly or indirectly, arranged" and "a person who otherwise caused," may make a patent owner responsible for whatever happens with a patent even after it is sold or licensed. For example, if a patent owner sells their patent to a company which then sells it to a patent assertion entity, the entity receiving the bad faith demand letter may be able to argue that the original patent owner is responsible. This provision was in the demand letter language vetoed by the Governor in 2018. Instead, the conference committee can look to the joinder provision from S.2432 in 2018, as reported out of the Massachusetts Joint Committee on Consumer Protection and Professional Licensure.

In addition, the Chamber urges the committee to expand the provision exempting operating entities to include entities that previously have made significant investments in their patent technology to reflect the product and service life cycle more accurately. This change, plus language in section 2(c) that specifically excludes research institutions, higher education institutions, and other legitimate entities is important, and without it there could be long-term effects on the willingness of legitimate entities to do the kind of work in Massachusetts that generates patents.

Support - Section 20 of S.2848: Tax Treatment of Forgivable PPP Loans

The Chamber supports tax treatment parity between individual and corporate filers receiving forgivable Paycheck Protection Program (PPP) loans. Section 20 accomplishes parity by creating an income tax deduction for individual filers receiving forgivable PPP loans. Sole proprietors and pass-through entities pay the individual, rather than corporate, income tax. These establishments account for 63 percent of all small businesses in the state. Right now, the survival of small businesses is of paramount importance. The state can provide much needed relief for small

businesses by following the intent of the CARES Act and not taxing the forgivable loans keeping many businesses afloat.

Support - Housing Choices in H.4887

It is a noteworthy step that the House and Senate both included elements of the Housing Choices proposal in their economic development bills. The Chamber urges the conference committee to adopt the unamended version of the Housing Choices legislation as included in H.4887. This version allows cities and towns to loosen zoning supermajority requirements and can spark the momentum needed to address the state's housing crisis while still balancing existing municipal authority. The Chamber is opposed to any provisions that would impose state-set zoning standards, override local decision-making, or create new avenues for costly and unnecessary litigation.

Oppose - Use of Sports Wagering Funds in Sections 7 and 8 of H.4887

The Chamber supports legalizing sports wagering in Massachusetts as outlined in H.4887. Given the enormous budgetary constraints that the state is projected for fiscal 2021 and later, it is prudent to direct revenues collected from the legalization of sports wagering to the General Fund, at least on a temporary basis during the recession.

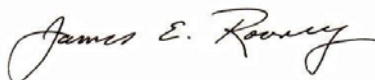
The state should also consider the best use for these funds post-recession. For example, the current proposal mandates the distribution of money to a new Workforce Investment Trust Fund established in Section 11 that focuses on at-risk youth employment and skills training. These are clearly necessary and laudable activities, but it adds to an already complicated workforce funding system. Over the next two years, the state can develop a more coordinated statewide skills development system. Engaging in a more deliberate review of effective workforce development funding and execution will ensure the state receives a substantial return on every dollar invested in our workforce system.

Support - Section 31 of S.2842: Regulatory permits extension

The Chamber supports Section 31 of S.2842 which extends certain regulatory approvals in effect between March 10, 2020 and March 10, 2021 for one additional year beyond the lawful term of approval. By reducing this administrative burden, this section grants businesses much-needed flexibility during the economic recovery.

Thank you for your consideration. Please do not hesitate to contact me with any questions.

Sincerely,



James E. Rooney
President & CEO

CC:

Representative Robert A. DeLeo, Speaker
Senator Karen E. Spilka, President