May 21, 2026

Representative Carole Fiola, Chair
Joint Committee on Economic Development
& Emerging Technologies
State House, Room 236
Boston, MA 02133

Senator Barry Finegold, Chair
Joint Committee on Economic Development
& Emerging Technologies
State House, Room 109-D
Boston, MA 02133

Dear Chair Fiola and Chair Finegold,

On behalf of the Greater Boston Chamber of Commerce and our 1,200 members, I write to offer the Chamber's comments on H.5386, *An Act Relative to Massachusetts Winning Global Investment, Talent, and Innovation*, the Mass Wins Act, filed by Governor Healey. Thank you for your leadership and continued efforts to advance policies that strengthen Massachusetts' competitiveness and make the Commonwealth a place where businesses and people can start, grow, and succeed. As you review the many policy proposals included in the bill, I wish to highlight a few Chamber policy priorities for your consideration.

The Chamber Supports Key Economic Development Investments

The Chamber supports the Governor's proposed economic development investments as a strategic, forward-looking commitment to strengthening Massachusetts' competitiveness, accelerating private sector growth, and advancing innovation across critical industries. These targeted capital grants, spanning climate ready facilities, artificial intelligence, defense and advanced manufacturing, robotics, food and ag-technology, downtown revitalization, and the creative economy, will help employers expand, modernize, and create jobs while reinforcing the Commonwealth's position as a global innovation hub.

The Chamber strongly supports the following critical investments:

- Climate-Smart Capital Grants for Business Facilities (7002-8079 – $25 million)
- Artificial Intelligence Sector Grants (7002-8080 – $75 million)
- Innovation & Startup Site Development (7002-8081 – $20 million)
- Defense Sector Capital & Infrastructure Investment (7002-8082 – $100 million)
- Robotics Research & Development and Commercialization (7002-8084 – $25 million)
- Municipal Economic Development Grants (7002-8085 – $25 million)
- Food Science & AgTech Capital Grants (7002-8083 – $10 million)
- Creative Economy & Cultural Infrastructure (7002-8086 – $25 million)

OPPOSE – Non-Competition Agreement Reform (Sections 96, 97)

The Chamber strongly opposes Sections 96 and 97, which would undermine the ability of employers to utilize noncompetition agreements in Massachusetts. Far from simply closing a small loophole, the changes proposed in these sections would effectively dismantle the Commonwealth's model statute related to these agreements, undermining key negotiations between stakeholders that the Legislature facilitated and nurtured.

As you may remember, in 2018, the Legislature convened a wide array of stakeholders, including the Chamber, to negotiate and advance reforms for the use of noncompetition agreements within the Commonwealth. The product of those intense and in-depth conversations resulted in a national model that created commonsense restrictions for low-wage workers, limited their geographic reach and covered time-period, created a first in the nation garden leave provision, and allowed employees to have an attorney review any such agreement prior to signing. The

specifics of the new statute, section 24L of chapter 149, were meticulously reviewed and drafted by stakeholders, legislators, and legislative staff, every word subject to conversation and negotiation.

This includes language that allowed employers to negotiate a noncompetition agreement with an employee for mutually agreed upon consideration instead of the strict contours of garden leave, which allows for uncommon, yet important, forms of compensation or payment structures such as stock options, deferred payments, and bonuses. These are specifically important for executive level, sophisticated employees that have access to critical proprietary, customer, and market information that could undermine an employer's ability to fairly compete in the marketplace.

The specific language of "or other mutually agreed upon consideration" was not accidentally drafted, but a key, negotiated term that allowed the Chamber and others to support other restrictions on the agreements.

The proposed changes undermine this agreement in two major ways. First, it requires "other mutually agreed upon consideration" to be "at least equivalent" to garden leave as defined as "at least 50 percent of the employee's highest annualized base salary paid by the employer within the 2 years preceding the employee's termination." For an agreement involving stock options or other complicated forms of compensation, stock prices fluctuate on a day-to-day basis, and there is no guarantee of their specific value.

In addition, such an agreement must be negotiated in connection with termination under the proposal. This fundamentally alters, if not outright eliminates, the utility of a noncompetition agreement. An employer that wishes to protect its information, customer base and marketing strategy, must know at the outset that they are protected prior to hiring a high-level employee. Tying mutually agreed upon consideration to termination means the highest bidder (including those from out-of-state) can simply gain access, significantly impacting the Commonwealth's competitiveness and eroding a key Massachusetts advantage in areas of technology, research, and finance – its knowledge-based economy.

To the extent certain real-world situations call for additional reforms to section 24L, we encourage the Legislature to bring employers to the table again to work on this complicated issue, allowing for a public hearing and sufficient stakeholder feedback. The proposed changes in H.5386, unfortunately, will have significant unintended consequences and warrant rejection at this time.

SUPPORT – Internship Tax Credit (Sections 111, 115)

The Chamber strongly supports the internship tax credit as maintained and clarified in Sections 111 and 115 of H.5386. These sections maintain the tax credit established in the 2024 Mass Leads Act while replacing the prior surplus-based trigger, which created uncertainty, with a clear, predictable start date. Under the bill, the credit is available for taxable years beginning on or after January 1, 2027, giving employers the certainty needed to plan, budget, and participate.

This credit is a practical, employer-driven tool to strengthen Massachusetts' talent pipeline and expand access to paid, real-world experience. By offsetting a portion of costs, it helps small and mid-sized employers offer internships while connecting students to career pathways in high-growth industries. At a time of persistent workforce shortages, the credit advances shared goals of talent development, equity, and retention. The Chamber urges the Committee to support these sections.

SUPPORT – Clarifying Energy Code Appeals Process (Section 95)

The Chamber supports Section 95 of the Governor's proposal as a commonsense clarification that restores predictability and consistency to the administration of Massachusetts' specialized energy codes. As municipalities have adopted increasingly complex net-zero and specialized codes, ambiguity in the building code appeals process has created confusion, delays, and added risk for housing developers and building professionals.

By affirming the Board of Building Regulations and Standards authority over current and future specialized energy codes, Section 95 ensures that technical feasibility, cost, and constructability can be consistently evaluated by a body with deep building expertise, advancing a key recommendation of the Governor's *Unlocking Housing Production Commission*.

This section preserves the Commonwealth's climate goals while providing a pragmatic safeguard against unnecessary cost escalation and supporting the urgent need to accelerate housing production. The Chamber urges the Committee to support Section 95 as a targeted reform that balances energy efficiency objectives with economic competitiveness and housing affordability.

SUPPORT – Reducing LLC Fees (Section 98)

The Chamber supports efforts to lower upfront costs for new limited liability companies (LLCs) and appreciates the proposal in Section 98 to reduce the initial filing fee. However, to meaningfully improve competitiveness and support small businesses, Massachusetts should align both its LLC filing and annual report fees at $100.

Massachusetts currently has the highest LLC filing fee and among the highest annual reporting costs in the nation, far exceeding neighboring states including New York, New Hampshire, Vermont, Connecticut, and Rhode Island.[1] This cost structure creates a barrier to entry and imposes ongoing financial strain on small businesses.

While reducing the initial filing fee from $500 to $100 is a positive first step, maintaining high annual reporting fees, and introducing thresholds tied to assets or real estate holdings undermines that progress by penalizing growth and investment.

Setting both fees at $100 would provide clear, predictable relief and send a strong signal that Massachusetts is committed to lowering the cost of doing business, supporting entrepreneurship, and encouraging job creation.

SUPPORT – Small Business Energy Relief (Section 76)

The Chamber supports Section 76 of the Governor's economic development bill, which expands eligibility for the existing sales-tax exemption on business energy use to include businesses with 10 or fewer employees and up to $2 million in expected gross annual income. This update better targets the exemption for gas, electricity, steam, and heating fuel to small businesses with limited revenues, preserving a critical cost-containment tool while responsibly expanding access to those most in need.

For small businesses operating on thin margins, energy costs are among the most significant and unpredictable expenses, particularly in Massachusetts' high-cost energy environment. Targeted relief like this helps neighborhood businesses, startups, and early-stage employers remain viable, reinvest in growth, and continue creating jobs. From a competitiveness standpoint, supporting the smallest employers strengthens the broader economic ecosystem and helps ensure Massachusetts remains a place where businesses can start, sustain, and scale.

SUPPORT – Utility Economic Development Rates (Sections 100, 105)

At a time of intense competition for large-scale investment, Massachusetts must leverage every available tool to remain competitive. The Chamber supports the Governor's goal of enabling more flexible energy pricing to attract and retain major projects. Sections 100 and 105 move in that direction by authorizing the Department of Public Utilities (DPU) to approve economic development rates and special contracts for large new or expanding businesses, aligning the Commonwealth with peer states that already use these tools. For example, North Carolina's Duke Energy offers discounted, performance-based rates tied to job creation and capital investment, helping secure large-scale industrial growth.[2]

While we support this objective, the Chamber believes the specific design, safeguards, and implementation of these rate structures are best addressed through the DPU's regulatory process rather than in statute. We encourage the Legislature to work in partnership with the utility industry to ensure these tools are deployed with appropriate guardrails, including clear protections so that existing customers are not burdened with the costs of these arrangements.

With that framework in place, providing DPU with this authority can position Massachusetts to compete for high-impact investments and attract transformative projects that drive long-term growth, expand the tax base, and create high-quality jobs, while reinforcing the Commonwealth's reputation as a competitive, business-ready environment.

SUPPORT – Policies to Increase Housing Development (Sections 35 - 37, 39, 40 - 42, 45, 54, 55, 63, 65, 120)

The Chamber appreciates the Healey-Driscoll Administration's continued leadership in advancing policies that expand housing supply and improve affordability across the Commonwealth. As we highlight in our forthcoming housing report, *"Supercharging Housing Production: Practices & Policies that Promote Housing Development, Attract Businesses, & Retain Talent,"* Massachusetts must remain proactive in pursuing policies that spur housing production, while avoiding those that further constrain development or exacerbate high housing costs in an already supply-constrained market. The report examines recent trends and both near-term and structural reforms to accelerate housing construction, underscoring the urgency of clear, predictable, and growth-oriented policy frameworks.

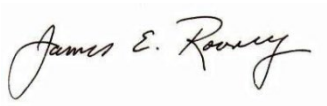
In that vein, we support Sections 35, 36, 42, and 120 for establishing much-needed clarity and consistency in site plan review under the Zoning Act. The current patchwork of local practices creates uncertainty, delays, and unnecessary costs, particularly for projects that should proceed as of right, ultimately constraining housing production and deterring investment. Codifying site plan review sets clear, predictable guardrails grounded in existing case law while preserving appropriate local oversight, an approach that could be further strengthened by a recommendation in our housing report to establish state-developed training for local planning board members. These reforms will help streamline permitting, accelerate project timelines, and enable residential and commercial development to move forward at the scale necessary to strengthen Massachusetts' competitiveness.

The Chamber also supports Sections 37–43, 45, 54, 55, 63, and 65 as a targeted, incentive-driven strategy to accelerate housing production through adaptive reuse and commercial conversion. Our housing report identifies expanding property tax abatements for office-to-residential conversions to 100 percent over 20 years as a key tool to unlock new supply, particularly in high-demand, job-rich areas where ground-up construction is more complex and costly. By aligning zoning reforms with local funding tools such as the Community Preservation Act and offering tailored tax incentives, these provisions improve project feasibility and enable faster delivery of housing and mixed-use development. This flexible, market-oriented approach represents a strong step in the right direction, and the Chamber looks forward to building on this foundation with additional policy solutions to further spur housing production across the Commonwealth

Finally, the Chamber supports the provision in Section 37 allowing adaptive reuse projects to comply with the base state energy code rather than more stringent local stretch codes. While Massachusetts maintains some of the most rigorous energy standards in the country, applying those standards to existing buildings can make otherwise viable projects financially unworkable. As our report emphasizes, targeted, practical adjustments like this can unlock stalled projects and drive near-term production. The report also recommends additional steps to address cost barriers, including a five-year statewide moratorium on the stretch and specialized energy codes or, alternatively, the creation of a clear variance or appeal pathway for priority housing developments. This flexibility would lower costs, reduce regulatory risk, and create a more workable pathway to convert underutilized buildings into much-needed housing.

Thank you for the opportunity to provide comments. Please do not hesitate to reach out with any questions.

Sincerely,



James E. Rooney
President & CEO

[1] https://www.llcuniversity.com/llc-annual-fees-by-state/

[2] https://sepapower.org/large-load-tariffs-database/