Greater Boston Chamber of Commerce

July 21, 2026

Senator Karen Spilka, Senate President
Massachusetts State Senate
State House, Room 332
Boston, MA 02133

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

Dear Senate President Spilka and Chair Rodrigues:

On behalf of the Greater Boston Chamber of Commerce and our 1,200 member organizations, thank you for the opportunity to provide comments on S.3178, *An Act Relative to Economic Development in the Commonwealth*. We commend the Senate for advancing a comprehensive economic development package that includes significant investments in emerging industries, research and innovation, housing production, workforce development, and business competitiveness. Collectively, these provisions will help strengthen Massachusetts' ability to attract investment, support employers, grow the talent pipeline, and remain competitive in an increasingly challenging national and global economy.

The Chamber supports the bill's overall direction and many of its key provisions. We respectfully offer the following comments on several sections that further advance these objectives, as well as on certain filed amendments that may raise concerns regarding competitiveness, innovation, and the Commonwealth's business climate.

Economic Development Investments

The Chamber supports the bill's strategic economic development investments, which will strengthen key industry sectors, support business growth, and reinforce Massachusetts' position as a global hub for innovation and talent. We support the following critical investments:

- Small Business Growth and Access to Capital (7002-8046)
- Climate-Smart Capital Grants (7002-8079)
- Artificial Intelligence Sector Grants (7002-8080)
- Innovation and Startup Site Development (7002-8081)
- Defense Sector Capital and Infrastructure Investment (7002-8082)
- Food Science, Agriculture, and AgTech Capital Grants (7002-8083)
- Robotics Research and Commercialization (7002-8084)
- Municipal Economic Development Grants (7002-8085)
- Creative Economy and Cultural Infrastructure (7002-8086)

The Chamber also supports the higher education bridge funding reserve (1596-7066) to help protect the Commonwealth's public institutions of higher education in response to federal research funding uncertainty or reductions. This investment will help sustain Massachusetts' research ecosystem, retain talent, preserve public-private partnerships, and maintain one of the Commonwealth's greatest competitive advantages during a period of federal funding instability.

Key Bill Sections

SUPPORT – Housing Production, Zoning Modernization, and Commercial Conversion (Sections 41–44, 46–52, 61, 70, 72, 156, and 164)

The Chamber supports Sections 41 through 44, 46 through 52, 61, 70, 72, 156, and 164, which collectively advance important housing production and zoning modernization reforms. Massachusetts' high housing costs remain one of the most significant barriers to economic competitiveness, workforce attraction, and business growth, and these provisions take a practical approach to expanding housing supply by reducing unnecessary local permitting barriers, creating clearer site plan review standards, encouraging more predictable approvals, and creating incentives for municipalities that adopt as-of-right commercial conversion zoning.

These reforms will create new housing opportunities, support downtown and main street revitalization, and make better use of underutilized properties while preserving reasonable municipal health, safety, infrastructure, dimensional, and design standards. By aligning local zoning, state incentives, and housing production goals, these sections will help increase housing supply and support employers seeking to attract and retain talent.

SUPPORT – Internship Tax Credit (Sections 142, 143)

The Chamber strongly supports preserving and clarifying the internship tax credit. Establishing a clear implementation date and extending program availability will provide employers with certainty while supporting talent development, workforce retention, and career pathways for students.

SUPPORT – Clarifying Energy Code Appeals Process (Section 134)

The Chamber supports Section 134, which restores clarity and predictability to the administration of specialized energy codes by affirming the Board of Building Regulations and Standards' authority over appeals. This targeted reform helps reduce uncertainty, supports housing production, and aligns with recommendations from the Governor's Unlocking Housing Production Commission.

SUPPORT – LLC Fee Reform (Section 135)

The Chamber supports reducing LLC formation costs but recommends setting both LLC filing fees and annual report fees at $100. Massachusetts continues to maintain some of the highest LLC-related fees in the country, creating unnecessary barriers for entrepreneurs and small businesses. A uniform $100 fee structure would provide meaningful relief and improve competitiveness.

SUPPORT – Innovation and Entrepreneurship (Sections 53–58, 140, 141)

The Chamber supports Sections 53–58, 140, and 141, which strengthen MassVentures' ability to deploy capital and support the growth of innovative, high-growth companies across Massachusetts. By expanding investment flexibility and improving access to financing for early-stage businesses, these reforms will help accelerate commercialization, attract private investment, create high-quality jobs, and ensure that promising startups can start, scale, and remain in the Commonwealth.

SUPPORT – Small Business Energy Relief (Section 83)

The Chamber supports Section 83, 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 annual gross income. This targeted relief will help small businesses better manage rising energy costs, support reinvestment and job retention, and strengthen Massachusetts' competitiveness as a place to start and grow a business.

SUPPORT – Utility Economic Development Rates (Section 147)

The Chamber supports Section 147, which establishes economic development utility rates and special contracts to help Massachusetts attract new businesses and encourage expansion by existing employers. High energy costs are a significant factor in business location and investment decisions, and these provisions provide the Commonwealth with an important economic development tool already utilized in many competing states. We look forward to the regulatory process at the Department of Public Utilities to construct these rates in a way that helps attract and retain businesses in the Commonwealth while minimizing impacts to ratepayers.

Comments on Filed Amendments

In addition to the bill provisions discussed above, the Chamber offers the following comments on several filed amendments.

OPPOSE – Amendment #383 (Brownsberger): Non-Competition Agreements

The Chamber strongly opposes Amendment #383, which would significantly undermine the balanced framework established by the Massachusetts Noncompetition Agreement Act and further restrict employers' ability to protect legitimate business interests. As the Senate may recall, the 2018 noncompetition law was the product of extensive negotiations among legislators, employers, employees, and other stakeholders, including the Chamber. Those discussions resulted in a national model that imposed commonsense restrictions on noncompetition agreements, including protections for low-wage workers, limits on duration and geographic scope, a first-in-the-nation garden leave requirement, and protections ensuring employees had an opportunity to review agreements with counsel. The provisions ultimately codified in section 24L of chapter 149 were carefully negotiated and drafted, with each element reflecting a deliberate compromise among stakeholders with differing perspectives.

A key component of that compromise was the Legislature's decision to permit employers and employees to agree upon "other mutually agreed upon consideration" in lieu of a traditional garden leave arrangement. That language was intentionally included to recognize that compensation structures vary significantly across industries and positions and may include stock options, deferred compensation, bonuses, equity awards, or other forms of consideration that do not fit neatly within a garden leave framework. This flexibility is particularly important for executive, technical, and highly specialized employees who often have access to proprietary business information, customer relationships, strategic plans, and other sensitive assets that employers have a legitimate interest in protecting. The phrase "other mutually agreed upon consideration" was not incidental language, but rather a central negotiated provision that helped establish the balanced framework that exists today.

Amendment #383 would substantially alter that compromise by requiring any consideration provided in lieu of a garden leave provision to be negotiated in connection with and at the time of an employee's separation from employment, while also requiring that consideration to be reasonably equivalent in value to statutory garden leave payments. In practice, these changes would significantly narrow the flexibility intentionally preserved in the 2018 law, create uncertainty regarding what qualifies as consideration "reasonably equivalent" to garden leave, and increase the likelihood of disputes and litigation over otherwise enforceable agreements. The requirement that consideration be negotiated at separation is particularly problematic, as employment separations often occur under compressed timelines and in circumstances where the parties' interests have diverged, making meaningful negotiation far more difficult than at the outset of the employment relationship.

At a time when Massachusetts is confronting significant competitiveness challenges, policymakers should be cautious about revisiting a carefully negotiated legislative compromise in a manner that makes it more difficult for employers to protect confidential information, trade secrets, intellectual property, customer relationships, and investments in workforce development. Further narrowing the enforceability of noncompetition agreements risks discouraging investment and weakening an important tool used by innovative companies, life sciences firms, technology startups, and advanced manufacturers that compete in a knowledge-based economy.

The Chamber believes the Legislature struck an appropriate balance when it enacted the current law and should be cautious about revisiting a framework that has provided certainty to employers and employees alike. For these reasons, the Chamber urges rejection of Amendment #383 to preserve the flexibility, predictability, and legal certainty to support business growth, innovation, and economic competitiveness throughout the Commonwealth.

OPPOSE – Amendment #471 (Rush): Frontier AI Risk Reporting, Audits, and Independent Evaluations

The Chamber opposes this amendment, which would significantly expand the bill's frontier AI regulatory framework by imposing frequent public risk reporting requirements, annual third-party compliance audits, recurring independent evaluations of advanced AI models, and extensive disclosure obligations on large AI developers. While the Chamber supports responsible AI development and appropriate safeguards, this amendment would create a burdensome Massachusetts-specific regulatory regime in a rapidly evolving field where federal and international standards are still emerging. The proposal raises substantial concerns regarding compliance costs, protection of proprietary information and trade secrets, cybersecurity risks, and the Commonwealth's competitiveness as a hub for AI innovation, advanced technology, and research. At a time when Massachusetts is competing directly with states such as New York and California to attract AI investment, talent, startups, and research activity, policymakers should be cautious about imposing requirements that are more restrictive than those in peer innovation economies and that could incentivize companies to locate development and commercialization activities elsewhere. These complex issues warrant broader stakeholder engagement and standalone consideration rather than the addition of expansive new regulatory mandates within an economic development bill.

OPPOSE – Amendment #541 (Feeney): Self-Checkout Restrictions

The Chamber respectfully opposes Amendment #541, which would impose rigid state mandates governing the operation and staffing of self-checkout lanes in grocery stores. While retailers should continue evaluating how best to serve customers and maintain appropriate staffing levels, businesses are best positioned to make these operational decisions based on store size, customer demand, workforce availability, and community needs. Requiring one manual checkout station for every two self-checkout stations, limiting stores to no more than eight self-checkout terminals, mandating dedicated employee monitoring ratios, and establishing new state enforcement and penalty requirements would reduce operational flexibility, increase labor and compliance costs, and limit retailers' ability to respond to evolving consumer preferences and shopping patterns.

OPPOSE – Amendment #544 (Feeney): Labor Relations Expansion

The Chamber opposes this amendment, which would make sweeping changes to Massachusetts labor law by expanding Chapter 150A, altering long-established labor-management relations frameworks, authorizing new union security and agency fee provisions, establishing new union recognition and certification procedures, and broadening state involvement in private-sector labor relations. These proposals raise significant legal and constitutional concerns, particularly because they seek to authorize changes that are currently preempted by federal labor law and have not been enabled by any corresponding change in federal statute or court precedent. In the absence of a federal trigger permitting state action, these provisions risk creating substantial uncertainty for employers and employees alike while inviting costly litigation over their enforceability. Given the far-reaching implications for labor relations, employers, workers, and the Commonwealth's business climate, these issues warrant careful standalone review and broader stakeholder engagement rather than inclusion in an amendment to this bill. The Chamber therefore respectfully urges rejection of the amendment.

OPPOSE – Amendment #127 (Lewis): Streaming Entertainment Assessment

The Chamber respectfully opposes this amendment, which would establish a new statewide tax on streaming entertainment services and impose significant reporting, auditing, compliance, and financial obligations on streaming entertainment operators doing business in Massachusetts. This proposal would create a new industry-specific fee on digital and streaming services that could increase costs for businesses and consumers while adding substantial regulatory complexity. The amendment also seeks to apply concepts historically associated with cable franchising and public rights-of-way to modern streaming services that operate under fundamentally different business and technological models, creating potential uncertainty for the technology and digital economy sectors.

OPPOSE – Amendment #151 (Brownsberger): Massachusetts Antitrust Act Revisions

The Chamber opposes this amendment, which would substantially expand the scope of Massachusetts antitrust law and significantly increase legal, regulatory, and litigation risks for employers operating in the Commonwealth. Among other changes, the amendment would extend antitrust scrutiny to labor market activities, remove longstanding exclusions related to real property transactions, expand private rights of action, authorize enhanced damages and attorneys' fees, create new civil and criminal penalties, and significantly broaden the Attorney General's investigative and enforcement authority. These sweeping changes would create uncertainty for employers, increase compliance and litigation exposure across multiple sectors of the economy, and potentially impact investment, economic development, and the Commonwealth's overall competitiveness. Given the breadth and complexity of the proposal, the Chamber believes such far-reaching revisions to the state's antitrust framework warrant separate and thorough review through the regular legislative process rather than inclusion in an economic development bill and respectfully urges rejection of the amendment.

OPPOSE – Amendment #17 (Eldridge): Workers' Compensation and Retaliation Provisions

The Chamber respectfully opposes Amendment #17, which would substantially expand employer liability and administrative obligations under the workers' compensation system by broadening retaliation claims, creating a 90-day presumption in favor of claimants, authorizing enhanced Attorney General enforcement, mandating treble damages and attorneys' fees, and imposing new notice and compliance requirements on employers. While the Chamber supports protecting employees who exercise their rights under the law, these provisions go well beyond existing protections and could significantly increase litigation risk, compliance burdens, and uncertainty for employers, particularly small and mid-sized businesses. Given the scope of these proposed changes and their potential impact on employers across the Commonwealth, the Chamber believes they warrant separate review through the normal legislative process rather than inclusion in an economic development bill and respectfully urges rejection of the amendment.

<u>OPPOSE – Amendment #183 (Fernandes): Artificial Intelligence Workforce Reporting and Grant Restrictions</u>

The Chamber opposes this amendment, which would create a sweeping new regulatory framework governing workplace monitoring technologies, employee data collection, and the use of artificial intelligence in employment decisions. While the Chamber supports responsible and transparent use of technology, the amendment would impose extensive audit, reporting, notice, recordkeeping, and compliance obligations on employers while exposing businesses to significant litigation risk. Its broad definitions could encompass many common workplace tools used for hiring, workforce management, cybersecurity, productivity, and compliance, creating uncertainty and discouraging innovation. At a time when Massachusetts is seeking to strengthen its competitiveness and support business growth, this proposal would add substantial costs and regulatory burdens for employers without clear evidence that existing labor, anti-discrimination, and privacy laws are insufficient. For these reasons, the Chamber respectfully urges rejection of this amendment.

<u>OPPOSE – Amendment #273 (Crighton): Clean Fuel Standard</u>

The Chamber opposes Amendment #273, which would establish a comprehensive Clean Fuel Standard and create a new regulatory framework governing transportation fuels in Massachusetts. While the Chamber supports the Commonwealth's climate and emissions-reduction goals, the proposal would impose significant new compliance obligations on fuel suppliers and create a credit-trading system that will increase fuel and transportation costs for businesses and consumers. At a time when Massachusetts employers continue to face some of the highest energy and operating costs in the nation, policymakers should carefully evaluate the economic impacts of any proposal that could further increase costs throughout the supply chain. Given the scope and complexity of this proposal, the Chamber believes it warrants separate consideration through the normal legislative process rather than inclusion in an economic development bill and urges rejection of the amendment.

<u>OPPOSE – Amendment #344 (Feeney): Pay Transparency Reporting Framework</u>

The Chamber respectfully opposes this amendment. The Chamber was an integral stakeholder and negotiator during the deliberations of the Commonwealth’s existing pay transparency framework. We support the existing statute and recognize the value of workforce demographic reporting. However, as a product of stakeholder negotiation and feedback, employers should not be subject to new or expanded state-created reporting obligations beyond those already required under established federal Equal Employment Opportunity reporting processes – a key part of the agreement on specific language. The amendment authorizes the Executive Office of Labor and Workforce Development to create a Massachusetts-specific reporting form containing workforce demographic and pay data that is merely “similar” to existing federal EEO reports, which could allow future reporting requirements to extend beyond the information historically collected through EEO-1, EEO-3, EEO-4, and EEO-5 reports. If a state contingency mechanism is necessary, any state-created reporting form should be limited to collecting information that is equivalent to, and no broader than, the information required under the existing federal reports.

<u>OPPOSE – Amendment #405 (Edwards): Rent Control Task Force</u>

The Chamber opposes this amendment because it would establish an unnecessary commission focused specifically on studying and developing rent control and rent stabilization proposals, rather than prioritizing the Commonwealth’s most urgent housing challenge: the shortage of housing supply. Massachusetts’ housing affordability crisis is driven by decades of underproduction, restrictive zoning, lengthy permitting processes, and insufficient housing growth relative to demand. Policies that focus on restricting rents rather than increasing housing supply risk discouraging new investment and further constraining housing production over time. The Chamber believes the Commonwealth should continue advancing supply-oriented reforms, many of which are already part of this legislation. Rent control, on the other hand, will not help with housing affordability. The Chamber urges the Senate to reject this amendment.

<u>OPPOSE – Amendment #197 (Howard): Paid Family and Medical Leave Expansion</u>

The Chamber respectfully opposes this amendment, which would significantly expand employer obligations under the Commonwealth's Paid Family and Medical Leave program by requiring employees to continue accruing vacation time, sick leave, bonuses, seniority, length-of-service credit, and other employment benefits while on leave. Massachusetts' PFML program was the result of extensive negotiations among the business community, labor advocates, and policymakers, culminating in a carefully balanced compromise that expanded access to paid leave while providing employers with certainty regarding their obligations. This amendment would reopen that negotiated framework and impose significant new costs and administrative burdens on employers without the stakeholder engagement that accompanied the original law. Given the importance of maintaining the balance achieved through the PFML grand bargain, any substantive changes to employer benefit obligations should be considered through a deliberate process that includes meaningful consultation with the business community, employees, and other stakeholders. For these reasons, the Chamber respectfully urges rejection of this amendment.

<u>SUPPORT – Amendment #400 (DiDomenico): Proactive Economic Development Infrastructure</u>

The Chamber supports this amendment, which would help address a growing barrier to economic development by allowing electric distribution companies to proactively invest in infrastructure needed to support future business growth, rather than waiting until a project has already committed to a location. By enabling strategic upgrades in areas targeted for commercial and industrial development, the amendment would create more “business-ready” sites, accelerate project timelines, support electrification and distributed energy resources, and strengthen Massachusetts’ competitiveness for job-creating investments. Importantly, the amendment includes meaningful safeguards, requiring approval from the Department of Public Utilities, support from the Secretary of Economic Development, a demonstration that projected economic benefits justify the costs, and a post-construction prudency review. This balanced approach will help attract and retain businesses, reduce development uncertainty, and ensure critical infrastructure investments are aligned with the Commonwealth’s long-term economic development goals.

<u>SUPPORT – Amendment #241 (Brady): LLC Fee Restructuring</u>

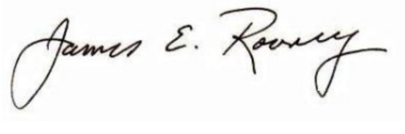
The Chamber supports Amendment #241 because it would reduce the initial LLC filing fee from $500 to $100, lowering a significant barrier to entry for entrepreneurs and small businesses. However, retaining the annual report fee at $500 leaves Massachusetts among the most expensive states in the nation for LLC maintenance. The Chamber continues to support reducing both the filing fee and annual report fee to $100, which would provide more meaningful relief to small businesses, strengthen the Commonwealth's competitiveness, and better support entrepreneurship and long-term economic growth.

<u>SUPPORT – Amendment #412 (Cronin): Housing Development Incentive Program</u>

The Chamber supports this amendment, which would strengthen and expand the Housing Development Incentive Program (HDIP), one of the Commonwealth’s most effective tools for encouraging housing production and mixed-use development in Gateway Cities. By increasing the annual statewide cap on HDIP tax credits from $30 million to $50 million and raising the per-project cap to $5 million, the amendment will improve project feasibility, attract additional private investment, and support larger-scale housing developments in communities working to revitalize downtowns and expand housing opportunities. At a time when Massachusetts faces a severe housing shortage that continues to impact affordability, workforce attraction, and economic competitiveness, expanding HDIP will help accelerate housing production, leverage private capital, and support economic growth in communities across the Commonwealth. The Chamber respectfully urges adoption of the amendment.

Thank you for your consideration. Please do not hesitate to reach out with any questions.

Sincerely,



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