

July 7, 2026

Representative Ronald Mariano, Speaker
House of Representatives
State House, Room 356
Boston, MA 02133

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

Dear Speaker Mariano and Chair Michlewitz:

On behalf of the Greater Boston Chamber of Commerce and our 1,200 member organizations, thank you for the opportunity to provide comments on H.5562, *An Act relative to economic development in the Commonwealth*. We commend the House 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 is strongly supportive of the bill's overall direction and many of its key provisions, and respectfully offers the following comments on several sections that further advance these objectives, as well as on certain filed amendments that 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:

- 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)

Key Bill Sections

SUPPORT – Housing Production and Permitting Reform (Sections 8, 41–43, 45–51, 60–63, 75, 77, 157, 159, and 160)

The Chamber strongly supports the bill's housing production and permitting reforms. As highlighted in the Chamber's housing report, *Supercharging Housing Production*, Massachusetts must continue pursuing policies that expand housing supply and improve permitting predictability. We particularly support Section 8, which establishes a statewide training program for local land-use officials, a recommendation advanced in the Chamber's report, as well as Sections 41, 48, and 160, which provide greater clarity and consistency for site plan review. We also support Sections 42, 43, 45–51, and 62, which advance adaptive reuse and office-to-residential conversion strategies that can help unlock new housing production and revitalize underutilized commercial properties.

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 130)

The Chamber supports Section 130, 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 – Higher Education Research and Talent Retention Fund (Section 139)

The Chamber supports the Higher Education Research and Talent Retention Fund. This investment will help protect 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 uncertainty.

SUPPORT – Modernizing CPA Licensure (Sections 114–116)

The Chamber supports modernizing CPA licensure through expanded reciprocity, increased mobility, and additional pathways to professional certification. These reforms will strengthen the accounting workforce pipeline while maintaining rigorous professional standards.

SUPPORT – LLC Fee Reform (Section 131)

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 52–57, 140, 141)

The Chamber supports Sections 52–57, 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 – Utility Economic Development Rates (Sections 133, 149)

The Chamber supports granting the Department of Public Utilities authority to approve economic development rates and special contracts designed to attract major investment projects. We encourage implementation through the DPU regulatory process with appropriate safeguards to protect existing ratepayers while enhancing Massachusetts' competitiveness for high-impact investments. One approach to ensure important policy details are adequately considered in the creation of economic development rates is outlined in Amendment #205.

Comments on Filed Amendments

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

OPPOSE – Amendment #241 (Gordon): Non-Competition Agreements

The Chamber expresses its gratitude and appreciation to the House Committee on Ways & Means for removing previous language that amended the Commonwealth's noncompetition statute, acknowledging its negative impact on employers and the Commonwealth's competitiveness. The Chamber therefore strongly opposes Amendment #241, 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 issue, allowing for a public hearing and stakeholder feedback on this complicated issue. The proposed changes in H.5562, unfortunately, will have significant unintended consequences and warrant rejection at this time.

OPPOSE – Amendment #166 (Cusack): Transparency in Frontier Artificial Intelligence

The Chamber supports responsible AI development and recognizes the importance of promoting transparency, managing emerging risks, and maintaining public trust in advanced artificial intelligence systems. However, we oppose Amendment #166 because it would establish one of the most expansive state-level AI regulatory frameworks in the nation. The proposal combines multiple layers of compliance obligations, including recurring public risk reports, third-party audits, independent evaluations, new reporting requirements, and expanded enforcement provisions, that go significantly beyond approaches adopted in other leading innovation states. At a time when Massachusetts is competing to attract AI investment, talent, and research activity, imposing a first-in-the-nation regulatory structure of this scale risks making the Commonwealth a less attractive place to develop and deploy emerging technologies.

OPPOSE – Amendment #270 (Chan): Self-Checkout Restrictions

The Chamber respectfully opposes Amendment #270, 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 adequate staffing levels, these operational decisions are best made by individual businesses 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 eight self-checkout terminals, and imposing prescriptive staffing requirements would reduce operational flexibility, increase costs, and limit retailers' ability to adapt to changing consumer preferences and shopping patterns.

OPPOSE – Amendment #490 (Decker): Labor Relations Expansion

The Chamber respectfully opposes Amendment #490, which would make sweeping changes to Massachusetts labor law that extend well beyond current federal and state frameworks. Among other provisions, the amendment would expand the definition of covered employers and employees, adopt the strict ABC independent contractor test for purposes of labor relations, reinstate agency fee requirements in collective bargaining agreements, impose new restrictions on employer communications during union-organizing campaigns, and substantially alter procedures governing labor-management relations across multiple sectors. These changes raise significant concerns regarding business certainty, workforce flexibility, compliance costs, and Massachusetts' overall competitiveness. Employers benefit from a stable and predictable labor framework, and reforms of this magnitude warrant careful, standalone consideration rather than inclusion in a broader economic development bill.

OPPOSE – Amendment #678 (Day): Streaming Entertainment Assessment

The Chamber respectfully opposes Amendment #678, which would establish a new statewide tax on streaming entertainment services and create a new regulatory, reporting, auditing, and enforcement framework for digital content providers operating in Massachusetts.

The Chamber is concerned that the amendment would increase compliance complexity, create uncertainty for businesses operating in the digital economy, and ultimately increase costs that are likely to be passed on to consumers. In addition, this amendment raises complicated constitutional issues about the Commonwealth's authority to regulate in this area, likely leading to unnecessary litigation and further confusion. At a time when Massachusetts should be focused on promoting affordability, innovation, and competitiveness, we respectfully urge rejection of this amendment.

OPPOSE – Amendment #409 (Fluker-Reid): Pay Transparency Reporting Framework

The Chamber respectfully opposes Amendment #409. While the amendment does not alter employer reporting requirements today, it would authorize the Executive Office of Labor and Workforce Development to establish a Massachusetts-specific workforce demographic and pay reporting framework if federal EEO reporting requirements are modified or eliminated in the future. This creates uncertainty regarding future employer obligations and could expand reporting requirements beyond those contemplated during the negotiations that led to enactment of the Commonwealth's pay transparency law. The Chamber supported the Pay Transparency Act as a carefully negotiated framework that relied primarily on existing federal reporting structures, and any proposal to establish new state-specific reporting requirements should be considered through a separate stakeholder process to ensure employers are not subject to additional administrative burdens, duplicative reporting obligations, or requirements that extend beyond the compromise originally enacted into law.

OPPOSE – Amendment #2 (Nguyen): Workers' Compensation and Retaliation Provisions

The Chamber respectfully opposes Amendment #2, 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.

OPPOSE – Amendment #94 (Gordon): Employment Arbitration and Waiver Restrictions

The Chamber respectfully opposes Amendment #94, which would significantly restrict the enforceability of employment agreements, limit the use of arbitration as a dispute-resolution tool, and create new litigation exposure for employers through additional causes of action, attorneys' fees, damages, and enforcement mechanisms. While Massachusetts already provides strong protections against discrimination, harassment, retaliation, and wage violations, this amendment would introduce substantial uncertainty regarding employment agreements and increase legal and administrative costs for employers of all sizes. Given the significant policy and legal implications

of these changes, the Chamber believes they warrant separate consideration through the normal legislative process rather than inclusion in this bill and urges rejection of the amendment.

OPPOSE – Amendment #103 (Markey): Clean Fuel Standard

The Chamber opposes Amendment #103, 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.

SUPPORT – Amendment's #447 & #448 (Giannino): Permit Extension Act Extension

The Chamber supports Amendments #447 and #448, which extend the Permit Extension Act enacted as part of the 2024 Mass Leads Act by expanding the tolling period through January 1, 2027 and increasing the permit protection period from two years to four years. With housing developers and businesses continuing to face elevated construction costs, financing constraints, and market uncertainty, these changes will help preserve approved housing and economic development projects that have already undergone extensive local and state review. At a time when Massachusetts is working to increase housing production and support economic growth, the Commonwealth cannot afford to lose shovel-ready projects due to permit expirations. These amendments will help maintain the development pipeline, preserve opportunities for future investment and job creation, and ensure that needed housing and economic development projects can move forward as market conditions improve.

SUPPORT – Amendment #167 (Scanlon): Energy Code Appeals Flexibility

The Chamber supports Amendment #167, which provides a practical pathway for housing developments to seek relief from specialized stretch energy code requirements when strict compliance would create significant financial hardship, undermine project feasibility, or reduce housing affordability. At a time when Massachusetts faces a severe housing shortage, it is essential that regulatory requirements do not unintentionally prevent the construction of much-needed housing.

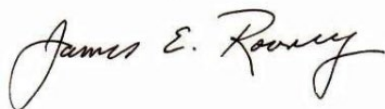
This amendment strikes an appropriate balance between the Commonwealth's housing and climate goals by allowing the Building Code Appeals Board to consider project feasibility and housing affordability while continuing to account for energy efficiency, public health, and safety. Providing this flexibility will help advance housing production, lower costs, and support the development of additional housing across the Commonwealth.

SUPPORT – Amendment #432 (Robertson): LLC Fee Restructuring

The Chamber supports Amendment #432 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.

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

Sincerely,

A handwritten signature in cursive script that reads "James E. Rooney".

James E. Rooney
President & CEO