

MASSACHUSETTS
HIGH TECHNOLOGY COUNCIL

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Public Policy Update
May 14, 2019



Paid Family and Medical Leave Mandate: New Guidance from Regulators; New Challenges for Employers

On May 1, 2019, the Massachusetts Department of Family and Medical Leave (the Department) released [revised guidance](#) regarding the Massachusetts Paid Family and Medical Leave law. The guidance extends key impending deadlines for employers to apply for program opt-outs and provide required notices to employees.

Opt-out applications are available now and must be submitted through the Massachusetts Department of Revenue's [MassTaxConnect](#) web portal. Notwithstanding these extended deadlines, beginning on July 1 the Department will require the collection of a 0.63 percent payroll tax from employers to fund the estimated \$800 million annual cost of the program.

In advance of the Department's revised regulations, the Council joined with Council member Spring Consulting to host an April 9 member webinar on the new statute and emerging regulatory framework. The Council urges members to work with their legal, benefits and HR professionals to ensure compliance with the far-reaching law. Learn more about the new law by accessing a recording of the webinar and related materials [HERE](#).

The new mandate on employers is a product of the so-called "Grand Bargain of 2018" enabled as a result of disqualification by the Supreme Judicial Court of the Citizens Initiative Petition to impose an income tax surtax in the Mass. Constitution in 2018. Proponents of ballot questions that would cut the state sales tax rate, impose a paid family and medical leave mandate on employers, and raise the state minimum wage to a highest-in-the-nation \$15/hour agreed to forego those efforts after the SJC ruling and back a legislative compromise that would delay and soften the immediate impacts of the proposals.

Enactment of the ballot question versions of these new laws would have resulted in more severe impacts on many employers and their approval by voters seemed highly likely. But the ultimate result remains another "not as bad as it could have been" compromise in the face of the increasingly aggressive tactics employed by well-funded special interests in support of the type of economic policies that have resulted in

fiscal destabilization and economic stagnation in other states.

The Council is working with members and other impacted groups to enact legislation that would secure further improvements and modifications to the law.

Housing Costs and Production Constraints: Council Testifies in Favor of “Housing Choices”

The Council has been a leading supporter of the Baker-Polito Administration’s Housing Choices Initiative and related [legislation](#). On March 27, the Council joined the Baker Administration and dozens of housing production advocates at the State House for a kick-off event to raise awareness and rally support for the bill and today appeared before the legislature’s Joint Committee on Housing to present [testimony](#) in favor of the legislation and communicate the Council Board’s [Statement of Support](#) for the bill as an urgent economic development priority.

According to US Census data in [MATTERS](#), the Council’s 50-state competitiveness dashboard, median home values in Massachusetts are the 3rd highest in the country and nearly 30% of Massachusetts homeowners spend more than 30% of their monthly income on housing expenses.

Massachusetts has produced an average of less than 10,000 new homes per year during the past 25 years, after producing approximately 30,000 new housing units each year for the prior four decades. According to US Census data, and despite the array of cranes and construction seen across much of greater Boston, overall Massachusetts housing production is lower than at any time since 1960.

The legislation would make it easier to get important zoning changes passed by city and town boards that control land use and density with a simple majority, as opposed to a two-thirds vote. Through this initiative, the state will also offer a combination of incentives, technical assistance and new capital grant funding to facilitate community-led housing production across the Commonwealth.

Council staff will continue to partner with the Baker Administration, legislative leaders and other supporters to advocate for its enactment this year.

Patent Litigation Reform: Council Leading Efforts to Pass Legislation in 2019

Frivolous and abusive patent litigation by patent assertion entities presents a growing problem and risk for technology organizations and IP holders in Massachusetts and around the nation. To date, more than 30 states have enacted laws that punish or limit bad-faith patent assertions.

With the Council’s support, Massachusetts has made significant progress toward enacting reforms over the past several years, but efforts stalled over concerns that specific provisions would have unintended negative impacts on patent holders’ legitimate efforts to enforce IP rights.

The Council is engaged with a coalition of companies and organizations backing reform legislation and on April 29 presented [testimony](#) before the legislature’s Joint Committee on Consumer Protection and Professional Licensure in support of [Senate Bill 159](#) and [House Bill 229](#). These identical pieces of legislation would require that assertion letters be more transparent, strengthen court discretion to address bad actors, and safeguard the legitimate interests of inventors and patent-holders and strike an appropriate balance between adding new safeguards and avoiding unintended consequences.

Contact [Mark Gallagher](#) to learn more about the Council’s policy priorities and how you can get involved in our advocacy efforts.

Our Mission

The Massachusetts High Technology Council is an organization of CEOs and senior executives

representing technology companies, professional services firms, and academic and research institutions dedicated to creating and sustaining conditions that support investment and job growth in Massachusetts. Our members are growth-oriented, knowledge-intensive employers and institutions that develop, deliver and depend on technology products, services and innovations to advance their organizational objectives.

Our mission is to help make Massachusetts the world's most attractive place in which to live and work, and in which to create, operate, and grow high technology businesses.

For more information [visit our website](#).

