

MASSACHUSETTS
HIGH TECHNOLOGY COUNCIL

Dedicated to Growth... Committed to Action

July 12, 2016

Dear Senator:

The Massachusetts High Technology Council and its members thank the Senate for its commitment to advancing omnibus economic development legislation before the close of formal sessions for the 2015-2016 biennial legislature. The enactment of such legislation can unlock significant opportunities to foster economic development and growth in Massachusetts and will send an important message to job creators in the Commonwealth and beyond.

The Council would like to call to your attention to several key provisions we believe are particularly impactful and that have broad support among policymakers and the technology community. We respectfully urge you to support the following provisions, including several items that have been included in Senate Bill 2423 and/or House Bill 4483, the economic development bill engrossed by the House last week:

NNMI Matching Grants

Funding for NNMI Matching Grants will enable institutions of higher education, including state and municipal colleges and universities, located in the commonwealth to participate in and receive federal funding from the National Network for Manufacturing Innovation.

Matching grants to support Massachusetts collaborations among industry and research institutions in their pursuit of high-ROI federal R&D partnership opportunities have been a long-time Council priority. Committing state funds for such initiatives represents a “can’t lose” proposition for the Commonwealth. Massachusetts-based organizations that leverage these matching state funds successfully compete for federal investments that dwarf the Commonwealth’s outlay by several multiples. Where the Commonwealth pledges support for an application that is not selected, no state funds are actually expended and the resources are retained by the Commonwealth. If properly funded, Massachusetts will be better positioned to compete and win in the pursuit of these opportunities. (Section 2A, Item 7002-8007 in both S. 2423 and H. 4483.)

Massport Infrastructure

Funding for improvements to the Conley shipping facility in South Boston will allow Massport to make important investments in key commercial infrastructure that will ensure the products of Massachusetts companies will have access to key global markets. (Section 2C, Item 6720-1340 in both S. 2423 and H. 4483.)

Economic Development Incentive Program

These proposed modifications and expansions to the Commonwealth's Economic Development Incentive Program would provide state and local economic development officials with improved and expanded tools to help attract private investment and job growth to the Commonwealth. (Section 7 of S. 2423 and Section 6 of H. 4883.)

Income Tax Deduction for College Savings

This revenue neutral proposal will provide tens of thousands of Massachusetts citizens with much needed assistance to meet the challenge of paying for a college education. The Commonwealth is known worldwide as the hub of higher education, and a highly educated workforce is the lifeblood of our state's knowledge-based economy. Incentivizing the Commonwealth's families to invest in college savings plans not only provides a practical plan for savings, it sends the aspirational message that a college education is achievable. (Section 51 of S. 2423 and Section 62 of H. 4483.)

Daily Fantasy Sports

Section 78 of H. 4461 would preserve consumer protections for daily fantasy sports (DFS) and confirm the legality of DFS under Mass. law for DFS operators like Massachusetts-headquartered DraftKings, one of the great recent success stories for the Massachusetts technology sector. As Massachusetts competes against other states for talent, entrepreneurs and jobs, policymakers and businesses must be ever vigilant to identify and pursue ways in which we can support employers; particularly Massachusetts-headquartered technology companies.

This DFS clarifying provision is a great example of a simple, no-cost step Massachusetts policymakers can take to embrace and encourage innovative businesses. Massachusetts already has the strongest regulations in the country to protect DFS consumers, and by adopting the proposed clarifying provision we can protect the jobs and innovation in our state as well.

Independent Contractor Reform

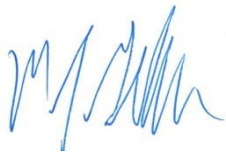
The ability of technology companies to access talent and expertise, including via the use of independent contractors, is critical to their success. Unfortunately, under current state law our technology organizations are discouraged from engaging independent contractors and face enormous risk if and when they do so. The law creates a barrier to success for technology companies and a barrier to opportunity for many skilled workers in the Commonwealth.

Independent contractor reform legislation currently before the General Court in House Bill 145 represents a viable mechanism to make important modifications to the Commonwealth's

independent contractor laws and would represent an incremental but meaningful improvement over the status quo. The Commonwealth's uniquely burdensome independent contractor standard has a significant negative impact on Massachusetts' "brand" as a hub for innovative companies and individuals. We encourage you to amend Chapter 149 of MGL to eliminate this unnecessary drag on the Commonwealth's innovation and economic growth.

We respectfully urge you to consider and weigh the significant positive impacts of these proposals on Massachusetts' competitive environment and thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. J. Gallagher', is positioned above the typed name.

Mark J. Gallagher
Executive Vice President
Public Policy & Communications
Mass. High Technology Council