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Rep. Smola supports economic development, jobs creation bill
Legislation provides for restaurant relief, zoning reform, and sports betting

BOSTON – Representative Todd M. Smola (R-Warren, Ranking Member, Committee on Ways & Means) today supported a multi-million dollar economic development bill designed to stimulate job growth and provide additional support to cities, towns and businesses during the COVID-19 pandemic.

House Bill 4879, *An Act enabling partnerships for growth*, was engrossed by the House of Representatives on a vote of 156-3 on July 28 following two days of debate. The bill is a redrafted version of legislation that was originally filed by Governor Charlie Baker on March 4.

In addition to authorizing \$456 million in bond funding to support housing production, workforce training initiatives, climate resiliency, small businesses, cultural organizations, and a variety of local earmarks, House Bill 4879 puts forth a number of policy initiatives, including legalized sports betting in Massachusetts and additional protective guidelines governing evictions during COVID-19. The bill also contains local zoning reform language originally included in Governor Baker's Housing Choice legislation to help address the state's affordable housing shortage.

Representative Smola said House Bill 4879 sanctions betting on both professional and college sporting events by individuals 21 and older. The Massachusetts Gaming Commission would regulate and license operators to accept wagers, including the state's casinos, racetracks, and fantasy sports companies such as Draft Kings. Wagers can be placed in-person or online, but racetracks will be limited to in-person betting.

Under the House proposal, qualified gaming entities would pay a \$250,000 application fee for an operator license, which can be extended every five years for a \$100,000 renewal fee, provided they continue to meet all licensing requirements. Operators' sports betting income would be

subject to a 15% excise tax, which is expected to provide the state with an additional \$50 million in annual revenues.

Local restaurants impacted by the 2019 novel coronavirus stand to benefit from the revenues generated by sports betting. The House bill would set aside 30% of these revenues for a new Distressed Restaurant Trust Fund, or about \$15 million a year based on projections. This fund would provide one-time grants of up to \$15,000 to help cover payroll expenses, rent and mortgage, insurance costs, past due payments for supplies, goods or services, and the procurement of personal protective equipment.

During floor debate, Representative Smola supported an amendment allowing restaurants to delay submitting their meals tax revenues for the remainder of the year without penalties or interest, and capping at 15% of the total purchase price the fees third-party delivery services can charge restaurants for online orders. The amendment allows for meals taxes collected between August 1 and October 31 to be paid by November 20, and meals taxes collected in November and December to be paid by January 20, 2021. It also keeps the delivery fee cap in place until 45 days after the COVID-19 State of Emergency is lifted.

House Bill 4879 builds on prior restaurant relief measures approved by the Legislature. Representative Smola previously supported legislation allowing restaurants to offer beer and wine with food takeout orders, and recently supported expanding these takeout options to include mixed drinks.

The state's lack of affordable housing is also addressed in the House bill. Between 1960 and 1990, housing production in Massachusetts averaged 900,000 units annually, but since 1990, that number has fallen dramatically, to an average of 430,000 units. To encourage more housing development, House Bill 4879 contains language lowering the threshold for certain local zoning changes from a two-thirds vote to a simple majority. This includes zoning for smart growth zoning districts, mixed-use housing, multi-family housing, and transit-oriented development situated near rapid transit, commuter rail, and bus and ferry terminals.

To help protect renters and homeowners, Governor Baker recently extended the statewide moratorium on evictions and foreclosures, which was due to expire on August 18, but will now run through October 17. House Bill 4879 makes additional changes to the state's eviction laws by requiring the Executive Office of Housing and Economic Development to develop a standard notice of eviction rights and responsibilities form for tenants facing eviction. The bill also requires pre-eviction mediation to take place before an eviction hearing, and prohibits such hearings from proceeding unless the court determines the tenant and landlord have made a good-faith effort to come to a resolution in a pre-eviction mediation. Tenants can prevent the termination of their tenancy by paying the landlord all of the rent that is due including interest and cost of action.

House Bill 4879 would also:

- increase the annual cap on the Housing Development Incentive Program from \$10 million to \$30 million to encourage more multi-unit, market-rate housing;

- allow for the establishment of Tourism Destination Marketing Districts; and
- create a special legislative commission to make recommendations on addressing the recovery of the state's cultural and creative sector, including the arts, humanities and sciences.

House Bill 4879 now moves to the Senate for its consideration. For additional information please contact Representative Smola at Todd.Smola@mahouse.gov or (617)722-2100.

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