

October 13, 2026

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

Representative Carole Fiola, Chair
Joint Committee on Economic Development
State House, Room 236
Boston, MA 02133

Representative Michael Soter, Ranking Minority
Joint Committee on Economic Development
State House, Room 551
Boston, MA 02133

Senator Barry Finegold, Chair
Joint Committee on Economic Development
State House, Room 109-D
Boston, MA 02133

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

Senator Peter Durant, Ranking Minority
Joint Committee on Economic Development
State House, Room 520
Boston, MA 02133

Dear Honorable Conference Committee Members,

On behalf of the Greater Boston Chamber of Commerce, I write to offer additional comments on H.5576 and S.3228, *An Act relative to economic development in the Commonwealth*, as you continue your deliberations on a negotiated agreement that helps grow the Commonwealth's economy. We again thank both chambers for advancing comprehensive economic development packages that support research and innovation, housing production, workforce development, and business competitiveness.

We appreciate the continued engagement on these important issues facing Massachusetts and take this opportunity to reiterate the Chamber's reactions to several proposals contained in H.5576 and S.3228.

OPPOSE – Labor Relations Expansion (Senate Sections 245-264)

Senate Sections 245-264 establishes a Massachusetts-specific private-sector labor relations framework despite the National Labor Relations Act (NLRA) in certain circumstances. Historically, the National Labor Relations Board (NLRB) provides a uniform national system that provides employers with predictable rules across state lines, a framework that provides employers and employees with a consistent set of rules regardless of where they operate.

Understanding that recent federal policy unpredictability negatively impacts both businesses and labor, the Chamber remains generally concerned with recent legislative proposals that take effect *if a hypothetical* federal action occurs. These jurisdictional "trigger mechanisms" exacerbate uncertainty rather than provide clear frameworks. As you know, it is difficult to navigate actual policy outcomes vs. rhetoric, and often the specific policy changes are different than offered talking points.

More specifically, the Chamber is concerned with S.3228's jurisdictional trigger mechanism. Rather than establishing a clear and predictable standard, the proposal could cause state labor-relations requirements to become operative under a range of circumstances, including changes in federal law, modifications to NLRB jurisdictional standards, court decisions, agency actions, or categories of employers and employees that fall outside federal jurisdiction. This uncertainty may make it difficult for employers to determine which legal framework governs a particular workplace and when state-specific obligations may apply. The bill also makes its provision effective immediately upon many of these circumstances, meaning employers may have to navigate competing state and federal standards in uncertain circumstances, such as litigation or federal review.

In addition, the Chamber is concerned that the section's majority-authorization ("card check") provisions depart from the longstanding NLRB-supervised secret-ballot election process used to determine union representation. The

Chamber believes employees and employers benefit from clear, transparent, and consistent representation procedures and is concerned that adopting alternative state-specific standards could create inconsistency with established labor-relations practices.

The proposal raises significant legal and constitutional questions regarding federal labor-law preemption and the interaction between state and federal labor law. These issues warrant more review and deliberations with all stakeholders before the Commonwealth establishes an alternative labor-relations system.

For these reasons, the Chamber respectfully urges conferees to exclude Senate Sections 245-264 from the final conference report and preserve the uniform federal labor-relations framework that has long provided consistency and predictability for employers and employees.

OPPOSE – Historical Horse Racing (House Sections 129B – 129E, 154B)

The Chamber opposes provisions in H.5576 that would allow the unlimited expansion of historical horse racing terminals at simulcasting licensees in the Commonwealth. This expansion threatens the successful legalization and regulatory environment for gaming and the embrace of legalized sports wagering by creating a new gaming option outside of the normal regulatory structure created through the Commonwealth's model gaming statute. The new structure creates several inconsistent standards between gaming licensees and entities offering historical horse racing wagering – creating an unfair playing field for a few, select operators.

Importantly, the proposal could divert hundreds of millions of gaming revenue from the Commonwealth's casinos, resulting in the reduction of tens of millions of tax revenue to the state. This will impact both job creation and retention as well as the state budget. Any possible revenue gains from these new licenses will likely, at the very least, be offset by the losses to existing gaming licensees.

Adopted through amendment, sections 129B-129E warrant additional study to fully understand the impacts, should embrace limitations existing for other forms of gaming (such as the cap on slot machines), establish an equitable level of regulation and oversight, and a deeper dive to potential loss of jobs, revenue, and viability of the gaming industry as a whole. We urge the conference committee to leave these provisions in conference.

SUPPORT – Housing Production, Zoning Modernization, and Permitting Reform (House Sections 8, 41–43, 45–51, 60–63, 75, 77, 141A, 141B, 157, 159, 160 and Senate Sections 63–67, 69–72, 74–76, 109, 120, 124, 339, and 355)

The Chamber supports the housing production, zoning modernization, adaptive reuse, and permitting reforms included in both H.5576 and S.3228. As highlighted in the Chamber's housing report, *Supercharging Housing Production*, Massachusetts must continue pursuing policies that expand housing supply, modernize local zoning practices, accelerate project delivery, and improve permitting predictability. The Commonwealth's housing shortage and high housing costs remain among the most significant threats to economic competitiveness, workforce attraction, talent retention, and business growth. Collectively, the housing and zoning provisions in both bills support additional housing production by reducing permitting barriers, creating clearer development standards, and encouraging more predictable approval processes.

SUPPORT – Research and Innovation Bridge Funding for Higher Education (House Section 139)

The Chamber supports Section 139 of H.5576, which provides \$200 million in bridge funding to help institutions of higher education navigate disruptions in federal research funding. Massachusetts' leadership in life sciences, technology, clean energy, and other innovation-driven sectors depends on the strength of its colleges, universities, and research institutions. Supporting these institutions during periods of federal uncertainty will help preserve research capacity, talent development, startup formation, and industry partnerships that drive economic growth across the Commonwealth. The Chamber therefore encourages conferees to retain this provision in the final conference report.

AMEND – Frontier AI Risk Reporting, Audits, and Independent Evaluations (Senate Sections 164, 345–348)

Sections 164 and 345-348 establish a significant new state-level oversight framework for frontier AI developers that extends well beyond requirements adopted in other states and could place Massachusetts at a competitive disadvantage relative to peer innovation hubs.

While California, New York, and Illinois have adopted frontier AI frameworks focused on transparency, reporting, and whistleblower protections, the Senate proposal goes considerably further by requiring recurring third-party audits, mandatory independent model evaluations, and extensive public risk-reporting obligations. The Chamber supports reasonable safeguards for frontier AI systems but believes policymakers can achieve those objectives without imposing the nation's most expansive state-level oversight frameworks.

The Chamber is particularly concerned that the proposal would require independent third parties to evaluate frontier models every 120 days, including model capabilities, safeguards, and the assumptions underlying a developer's internal risk assessments. In a rapidly evolving field where experts have not reached consensus on many frontier AI risks and no established professional standards govern these evaluations, this requirement could allow outside evaluators to second-guess highly technical judgments about model safety and risk mitigation.

The proposal also requires frontier developers to publish comprehensive risk reports every 180 days, regardless of whether model capabilities have materially changed and subjects developers to recurring compliance audits. Together, these requirements create a significantly more prescriptive regulatory framework than those adopted in other leading innovation states, increasing compliance costs, legal uncertainty, and barriers to innovation. The Chamber is concerned these provisions could discourage investment and create additional challenges for startups, research institutions, and future market entrants operating in Massachusetts.

As the Commonwealth seeks to strengthen its position as a global leader in artificial intelligence and advanced technology, policymakers should advance transparency and accountability without establishing requirements that exceed those adopted in peer states. For these reasons, the Chamber respectfully urges conferees to either exclude Sections 164 and 345-348 from the final conference report to facilitate additional conversations, or narrow them to align more closely with other states' transparency-focused approach. Massachusetts can promote accountability and responsible AI development without establishing a regulatory regime that risks undermining the Commonwealth's innovation ecosystem.

SUPPORT – Utility Economic Development Rates (Senate Section 326)

The Chamber supports Section 326 of the Senate economic development bill, which directs the Department of Public Utilities (DPU) to examine electric distribution tariffs, rate structures, and interconnection requirements that can better support economic development and business expansion in Massachusetts. As energy costs remain a significant challenge for employers, particularly energy-intensive industries, the Commonwealth should explore approaches that improve competitiveness while maintaining appropriate consumer protections. The Senate language provides DPU with the flexibility to evaluate economic development rates, special contracts, and other regulatory tools that could help attract new investment and support business growth.

The Chamber appreciates the Senate's approach, which leverages DPU's regulatory expertise rather than prescribing specific rate structures in statute. Any future program should avoid shifting costs to other ratepayers while allowing DPU sufficient discretion to develop solutions that reflect the Commonwealth's economic development and competitiveness goals. The Chamber encourages conferees to retain the Senate language and support this thoughtful regulatory process.

SUPPORT – Internship Tax Credit (House Sections 142, 143; Senate Sections 135, 320–322, 350, 351, 357)

The Chamber strongly supports the internship tax credit provisions included in both H.5576 and S.3228. Preserving and clarifying the credit, including 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. The Chamber encourages conferees to retain these provisions in the final conference report.

OPPOSE – Chatbot Disclosure Requirements (Senate Section 164)

The Chamber opposes the chatbot disclosure provisions included in Section 164 of S.3228. While we support transparency when consumers interact with artificial intelligence systems, the proposed definition of "chatbot" is overly broad and could encompass a wide range of technologies beyond consumer-facing AI tools. By including automated programs that communicate through audio, visual, or textual methods, the language could unintentionally capture interactive technologies used in entertainment, retail, hospitality, education, and other settings that consumers do not traditionally view as chatbots.

The Chamber is further concerned that the proposal relies on undefined terms such as "conversation," "interacts," and "clear and conspicuous disclosure," creating uncertainty regarding when disclosures are required and how businesses can comply. The language also lacks exemptions for low-risk or entertainment-focused applications, despite other states taking a more tailored approach. Because violations would constitute per se violations of Chapter 93A, businesses could face significant litigation risk under an ambiguous regulatory framework. The Chamber therefore urges conferees to exclude these provisions from the final conference report or substantially narrow the definition, clarify compliance obligations, and establish appropriate exemptions for low-risk applications.

SUPPORT – Small Business Energy Relief (Senate Section 136)

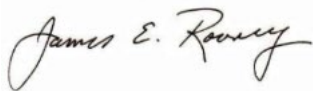
The Chamber supports Section 136 of S.3228, which would expand eligibility for the existing sales tax exemption on business energy use to include small businesses with 10 or fewer employees and up to \$2 million in annual gross income. This provision recognizes the significant cost pressures facing small employers and provides targeted relief that can help businesses manage rising energy expenses, retain workers, and reinvest in growth. We particularly appreciate that this proposal reflects language included in Section 76 of Governor Healey's *Mass Wins Act*, demonstrating broad recognition that reducing energy costs for small businesses is an important component of strengthening Massachusetts' economic competitiveness. At a time when Massachusetts businesses continue to face high operating costs, expanding access to this exemption represents a practical step toward strengthening competitiveness and supporting entrepreneurship in communities throughout the state.

SUPPORT – LLC Fee Reform (House Section 131, Senate Section 265)

The Chamber supports provisions in both H.5576 and S.3228 to reform Massachusetts' limited liability company (LLC) fee structure and reduce the initial cost of starting a business. Lowering the LLC certificate of organization filing fee from \$500 to \$100 is a meaningful step toward improving competitiveness, removing barriers to entrepreneurship, and reducing costs for small businesses. However, the Commonwealth has an opportunity to build on these reforms by aligning both LLC formation and annual reporting fees at \$100. Massachusetts continues to impose among the highest LLC filing and annual reporting costs in the nation, increasing the cost of doing business relative to many neighboring states.

Thank you for your consideration of these comments. Please do not hesitate to reach out with any questions or concerns.

Sincerely,

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

James E. Rooney
President & CEO