

SENATE No. 1982

The Commonwealth of Massachusetts

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In the One Hundred and Eighty-Ninth General Court
(2015-2016)
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SENATE, Tuesday, July 28, 2015

The committee on Ways and Means, to whom was referred the Senate Bill relative to innovative communities (Senate, No. 1970),-- reports, recommending that the same ought to pass with an amendment substituting a new draft with the same title (Senate, No. 1982).

[Estimated cost: \$750,000]

For the committee,
Karen E. Spilka

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**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act relative to innovative communities.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 23A of the General Laws is hereby amended by adding the
2 following section:-

3 Section 66. (a) As used in this section, the following words shall have the following
4 meanings unless the context clearly requires otherwise:

5 “Participant”, a municipality seeking to utilize an innovative technology solution or a
6 startup.

7 “Startup”, a corporation, partnership, limited liability company, sole proprietorship or
8 organization seeking to bring innovative technology to the market including, but not limited to, a
9 company that is seeking a first or early-customer to validate the commercial readiness of the
10 company’s technology.

11 (b) There shall be within the executive office of housing and economic development an
12 innovative communities office to serve as a common place of access, education and point of
13 connection for startups and municipalities seeking innovative technology solutions. The office

14 shall implement an innovative communities program to support the introduction of cutting-edge
15 technologies into the marketplace and incentivize the adoption of these technologies by
16 municipalities.

17 The office shall be under the supervision and control of an executive director, appointed
18 by the secretary of housing and economic development, who shall have experience in business,
19 including experience with companies specializing in new and innovative technologies. The
20 executive director may appoint and remove, subject to appropriation, agents and subordinate
21 officers and employees as the executive director considers necessary and may establish
22 subdivisions as the executive director considers appropriate to carry out the objectives of the
23 office. The executive director may, subject to appropriation and the laws and regulations relating
24 to the employment of consultants, employ consultants as the executive director considers
25 necessary.

26 To implement the innovative communities program, the executive director shall enter into
27 interagency service agreements or other contracts with state agencies, state authorities, business
28 associations and other entities including, but not limited to: the Massachusetts office of
29 information technology; the operational services division; the Massachusetts clean energy
30 technology center; the office of inspector general; and regional planning organizations. The
31 interagency service agreements and contracts shall be designed to support municipalities seeking
32 to utilize innovative technology and startups.

33 (c) The executive director shall establish a process to certify innovative communities. To
34 qualify as an innovative community, a municipality shall: (i) pass a resolution, upon the vote of
35 the local governmental body, which accepts the principles described in this section; (ii) make

36 electronically available to the public municipal data sets maintained by the municipality,
37 excluding any data set containing information that identifies individual persons or is protected by
38 law; (iii) attend not less than 1 technology marketing event or exposition organized by the the
39 executive director; (iv) conduct beta testing on not less than 1 technology annually that has been
40 vetted and approved by the executive director; and (v) share the results of the trial with other
41 municipalities participating in the innovative communities program. A municipality that meets
42 the requirements of this subsection shall be designated by the executive director as an innovative
43 community and shall be eligible for the assistance provided for in clause (vii) of subsection (d).

44 (d) In addition to certifying innovative communities under subsection (c), the executive
45 director shall:

46 (i) develop, in consultation with the inspector general, an education program for
47 municipalities regarding purchasing innovative technology from startups under chapter 7 and
48 chapter 30B, including purchasing under subsection (c) of section 4 of said chapter 30B;

49 (ii) develop, in consultation with the inspector general, an education program for
50 startups that includes methods to understand the municipal purchasing process and the
51 requirements and standards that shall be fulfilled by startups in order to sell to municipalities,
52 including opportunities to participate in the commonwealth's efforts to coordinate purchasing for
53 government entities;

54 (iii) create, in consultation with the inspector general, a plain language summary
55 and other standardized informational materials to explain how the procurement process operates
56 for contracts negotiated by municipalities under sections 22A and 22B of said chapter 7 and
57 chapter 30B in order to ensure uniform practices in the commonwealth;

58 (iv) organize marketing events and expositions for (A) startups to showcase their
59 technology and conduct statewide innovation competitions to solicit proposals for innovative
60 uses of technology that allow municipalities to better serve their residents or promote efficient
61 use of resources; and (B) participating municipalities to make known to startups municipal
62 technology needs and to share the results of the beta test required under clause (iv) of subsection
63 (c);

64 (v) engage municipalities and startups through marketing and outreach to promote
65 the benefits of participating in the innovative communities program, including soliciting
66 entrepreneurial proposals for reshaping government services through various platforms and
67 encouraging participation from women-owned and minority-owned businesses;

68 (vi) implement pilot programs in innovative communities annually, subject to
69 appropriation, for the most market-ready technologies presented at the technology marketing
70 events, expositions and innovation competitions;

71 (vii) establish a grant program, subject to appropriation, for innovative
72 communities to finance all or a portion of the costs associated with the adoption of a innovative
73 technology approved by the innovative communities program;

74 (viii) provide municipalities and startups with technical assistance to enter into
75 agreements under said chapter 7 and said chapter 30B that assess the need for and the cost and
76 feasibility of employing the chosen technology;

77 (ix) develop a pre-qualification process for participating startups to expedite the
78 purchase of innovative technologies;

79 (x) establish collective purchasing under section 22A of said chapter 7 to be
80 updated on a regular basis, but not less often than annually, where municipalities may make
81 purchases of innovative technologies approved by the executive director under this section;

82 (xi) establish evaluation, audit and compliance procedures for participating
83 startups, including a technology readiness assessment, self-audit and standardized due diligence
84 investigation of participating startup business profiles; and

85 (xii) establish a publicly-available website to publish and regularly update
86 information, events and materials created under this subsection.

87 (e) There shall be an innovative communities advisory board to: (i) build and maintain
88 relationships between startups and municipalities; and (ii) improve the innovative communities
89 program. The advisory board shall be within, but not subject to the control of, the executive
90 office of housing and economic development.

91 The advisory board shall consist of: the chief information officer of the Massachusetts
92 office of information technology or a designee; the executive director of the Massachusetts
93 Municipal Association, Inc. or a designee; 1 representative of the Massachusetts Association of
94 Public Purchasing Officials; and 9 members to be appointed by the governor, 1 of whom shall be
95 a chief executive officer of a clean energy company or a designee, 1 of whom shall be a chief
96 executive officer of an innovative information technology company or a designee, 1 of whom
97 shall be a chief executive officer of an innovative startup company or a designee, 1 of whom
98 shall be an investor in new technology companies, 2 of whom shall be chief executive officers of
99 associations representing emerging technology industries; 2 of whom shall be individuals who
100 have experience with business incubators or shared workspaces and 1 of whom shall be a

101 representative of a regional planning organization. The governor shall fill any vacancy. The
102 advisory board shall elect a chairperson. The advisory board shall file a report on the activities of
103 the board and any recommendations annually, not later than March 1, with the secretary of
104 housing and economic development and the joint committee on economic development and
105 emerging technologies.

106 SECTION 2. (a) There shall be a special commission to conduct an investigation into and
107 study potential barriers to the adoption of innovative technologies by state and local governments
108 and entities created by existing procurement laws in the commonwealth. The commission shall
109 consist of the following 20 members: 2 members of the senate, 1 of whom shall be the co-chair
110 of the joint committee on economic development and emerging technologies or a designee and 1
111 of whom shall be appointed by the minority leader or a designee; 2 members of the house, 1 of
112 whom shall be the co-chair of the joint committee on economic development and emerging
113 technologies or a designee and 1 of whom shall be appointed by the minority leader or a
114 designee; the secretary of administration and finance or a designee; the secretary of housing and
115 economic development or a designee; the assistant secretary for operational services or a
116 designee; the inspector general or a designee; the commissioner of capital asset management and
117 maintenance or a designee; the executive director of the Massachusetts clean energy technology
118 center or a designee; the commissioner of energy resources or a designee; the chief executive
119 officer of Massachusetts Development Finance Agency or a designee; the chief executive officer
120 of the Massachusetts Technology Park Corporation doing business as the Massachusetts
121 Technology Collaborative or a designee; the executive director of the Massachusetts Municipal
122 Association, Inc. or a designee; and 6 members to be appointed by the governor, 1 of whom shall
123 be the chief executive officer of a clean energy company or a designee, 1 of whom shall be the

124 chief executive officer of an innovative information technology company or a designee, 1 of
125 whom shall be the chief executive officer of an innovative startup company or a designee, 1 of
126 whom shall be an investor in new technology companies and 2 of whom shall be chief executive
127 officers of associations representing emerging technology industries.

128 (b) The commission shall examine, but shall not be limited to examining: (i) the ways in
129 which existing procurement rules may unnecessarily exclude less established companies from
130 obtaining contracts, particularly innovative startup companies; (ii) opportunities for establishing
131 a method for pre-qualification of companies offering innovative technology solutions; (iii)
132 opportunities for statewide programs designed to encourage state or local government
133 procurement of innovative technologies; (iv) opportunities for public-private collaboration; and
134 (v) any regulatory changes which may encourage the adoption of innovative technologies
135 without compromising the competitive bid process.

136 (c) The commission may hold hearings and invite testimony from experts and the public.
137 The commission shall review and identify best practices learned from similar efforts in other
138 states.

139 (d) The commission shall submit a report, together with drafts of legislation necessary to
140 carry out its recommendations, to the clerks of the house of representatives and the senate not
141 later than January 1, 2017.

142 SECTION 3. All appointments to the innovative communities advisory board established
143 in subsection (e) of section 66 of chapter 23A of the General Laws shall be made not later than
144 30 days after the effective date of this act. The advisory board shall convene its first meeting not
145 later than 60 days after the effective date of this act.