



Commonwealth of Massachusetts
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NOTICE OF PROPOSED REPEAL OF REGULATION

402 CMR 2.00 Economic Development Incentive Program

Notice is hereby given pursuant to Massachusetts General Laws Chapter 30A that the Economic Assistance Coordinating Council ("EACC") is proposing to repeal and rescind 402 CMR 2.00 entitled "Economic Development Incentive Program" (the "Regulation").

Sections 3A to 3H of the General Laws ("EDIP Statute") establishes the Economic Development Incentive Program ("EDIP"), administered by the EACC, to provide incentives that stimulate job creation and investment of private capital and to promote economic growth and expand economic opportunity to all areas of the commonwealth. The EDIP Statute has been amended several times since the last update to the Regulation, most recently by Chapter 238 of the acts of 2024 (the "Act") related to the availability of tax credits and administration of EDIP.

Clause (i) of subsection (b) of section 3B of chapter 23A of the General Laws provides the EACC with discretionary authority to "promulgate regulations and adopt policies and guidances to effectuate the purposes of sections 3A to 3H..." As a result of the changes made by the Act, the Regulation is inconsistent, duplicative and unnecessary to effectuate the purposes of the EDIP Statute. Accordingly, the EACC voted on March 19, 2025 to rescind the Regulation and will hold a public comment period to accept public comments on the repeal and rescission of the Regulation.

Written comments on the EACC's proposed rescission of 402 CMR 2.00 will be accepted from the opening of the public comment period on June 6, 2025 until 5:00PM pm June 27, 2025. Written comments should be submitted by email to Robert.McGovern@mass.gov or mailed to: Robert McGovern, Senior Deputy General Counsel, Executive Office of Economic Development, 1 Ashburton Place, Room 2101, Boston, MA 0210. A copy of 402 CMR 2.00 are available at <https://www.mass.gov/doc/402-cmr-2-economic-development-incentive-program/download>.

By the order of the Economic Assistance Coordinating Council,

A handwritten signature in black ink, appearing to read "Ashley Stolba".

Ashley Stolba
EACC Chair

Small Business Impact Statement

(As required by M.G.L. c. 30A §§ 2, 3 & 5)

CMR No: 402 CMR 2.00 Economic Development Incentive Program

Estimate of the Number of Small Businesses Impacted by the Regulation:

0

Select Yes or No and Briefly Explain

Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Will small businesses have to create, file, or issue additional reports? The regulation is inconsistent and duplicative with the authorizing statute, unnecessary to effectuate the administration of the Economic Development Incentive Program and is proposed to be rescinded.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Will small businesses have to implement additional recordkeeping procedures? The regulation is inconsistent and duplicative with the authorizing statute, unnecessary to effectuate the administration of the Economic Development Incentive Program and is proposed to be rescinded.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Will small businesses have to provide additional administrative oversight? The regulation is inconsistent and duplicative with the authorizing statute, unnecessary to effectuate the administration of the Economic Development Incentive Program and is proposed to be rescinded.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Will small businesses have to hire additional employees in order to comply with the proposed regulation? The regulation is inconsistent and duplicative with the authorizing statute, unnecessary to effectuate the administration of the Economic Development Incentive Program and is proposed to be rescinded.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Does compliance with the regulation require small businesses to hire other professionals (e.g. a lawyer, accountant, engineer, etc.)? The regulation is inconsistent and duplicative with the authorizing statute, unnecessary to effectuate the administration of the Economic Development Incentive Program and is proposed to be rescinded.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Does the regulation require small businesses to purchase a product or make any other capital investments in order to comply with the regulation? The regulation is inconsistent and duplicative with the authorizing statute, unnecessary to effectuate the administration of the Economic Development Incentive Program and is proposed to be rescinded.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Are performance standards more appropriate than design/operational standards to accomplish the regulatory objective? (Performance standards express requirements in terms of outcomes, giving the regulated party flexibility to achieve regulatory objectives and design/operational standards specify exactly what actions regulated parties must take.) The regulation is inconsistent and duplicative with the authorizing statute, unnecessary to effectuate the administration of the Economic Development Incentive Program and is proposed to be rescinded.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Do any other regulations duplicate or conflict with the proposed regulation? The regulation is inconsistent and duplicative with the authorizing statute, unnecessary to effectuate the administration of the Economic Development Incentive Program and is proposed to be rescinded.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Does the regulation require small businesses to cooperate with audits, inspections or other regulatory enforcement activities?

		The regulation is inconsistent and duplicative with the authorizing statute, unnecessary to effectuate the administration of the Economic Development Incentive Program and is proposed to be rescinded.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Does the regulation require small businesses to provide educational services to keep up to date with regulatory requirements? The regulation is inconsistent and duplicative with the authorizing statute, unnecessary to effectuate the administration of the Economic Development Incentive Program and is proposed to be rescinded.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Is the regulation likely to <i>deter</i> the formation of small businesses in Massachusetts? The regulation is inconsistent and duplicative with the authorizing statute, unnecessary to effectuate the administration of the Economic Development Incentive Program and is proposed to be rescinded.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Is the regulation likely to <i>encourage</i> the formation of small businesses in Massachusetts? The regulation is inconsistent and duplicative with the authorizing statute, unnecessary to effectuate the administration of the Economic Development Incentive Program and is proposed to be rescinded.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Does the regulation provide for less stringent compliance or reporting requirements for small businesses? The regulation is inconsistent and duplicative with the authorizing statute, unnecessary to effectuate the administration of the Economic Development Incentive Program and is proposed to be rescinded.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Does the regulation establish less stringent schedules or deadlines for compliance or reporting requirements for small businesses? The regulation is inconsistent and duplicative with the authorizing statute, unnecessary to effectuate the administration of the Economic Development Incentive Program and is proposed to be rescinded.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Did the agency consolidate or simplify compliance or reporting requirements for small businesses? The regulation is inconsistent and duplicative with the authorizing statute, unnecessary to effectuate the administration of the Economic Development Incentive Program and is proposed to be rescinded.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Can performance standards for small businesses replace design or operational standards without hindering delivery of the regulatory objective? The regulation is inconsistent, duplicative and unnecessary to effectuate the administration of the Economic Development Incentive Program and is proposed to be rescinded.
Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Are there alternative regulatory methods that would minimize the adverse impact on small businesses? Yes, MOBD is incorporating relevant EDIP regulations and policies into a single RFP document.