

**Subject** Melrose; refundable construction exemption and fire remediation grant

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### Overview

Reinstates both the sales tax exemption and the remediation grants provided to the city of Melrose for the September 8, 2016 fire.

#### **Background.**

The sales tax and grant provisions were first enacted in the 2017 omnibus tax bill. However, the sales tax provision expired December 31, 2018, and the unused portion of the remediation grants canceled back to the general fund on July 1, 2018.

In 2019, the legislature granted an extension of the sales tax exemption through July 1, 2019, and appropriated the amount of unused remediation grants that canceled back to the general fund.

### Summary

Section	Description
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| 1 | <b>Effective date.</b><br>Extends the sales tax exemption for construction materials used in the reconstruction and recovery of properties destroyed by the September 8, 2016 fire. The exemption expires July 1, 2023.                                                                                                                                                                                                                                                                              |
| 2 | <b>Appropriation of lapsed amounts; fire remediation grants.</b><br>Appropriates in fiscal year 2022 from the general fund the amount of unused remediation grants that canceled back to the general fund at the beginning of fiscal year 2019. The appropriated amount is \$643,729 and is available for grants from the day after final enactment through June 30, 2023, to be used to cover costs related to fire fighting and clean up and lost revenue from associated property tax abatements. |



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