

# The Boston Globe

## Smith & Wesson will move its HQ to Tennessee due to tough gun manufacturing laws proposed on Beacon Hill

Storied gunmaker points to bill in Mass. legislature that would ban production of guns that account for 60 percent of its revenue

By Anissa Gardizy and Emma Platoff Globe Staff, September 30, 2021



*Firearms were assembled by workers in Smith & Wesson's Springfield factory in 2013. Suzanne Kreiter/Globe Staff*

The gunmaker Smith & Wesson, based in Springfield since it was founded in 1852, announced Thursday that it will move its headquarters to Tennessee, due to tough new gun manufacturing laws recently proposed on Beacon Hill.

The company said it will open a new headquarters and assembly plant outside Knoxville in 2023, a location it chose in part based on that state's "unwavering support for the Second Amendment," as well as lower costs of doing business.

"This has been an extremely difficult and emotional decision for us," said CEO Mark Smith in a call with investors Thursday. "But after an exhaustive and thorough analysis, for the continued health and strength of our iconic company, we feel that we have been left with no other alternative."

Smith & Wesson will shift about 550 jobs out of Springfield in the move, but will retain its manufacturing plant and roughly 1,000 employees there. The company will start work later this year on a new \$120 million facility in Maryville, Tenn., that would house its corporate headquarters and new manufacturing plant. It'll also close plants in Connecticut and Missouri, but keep one in Maine.

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Bob Rolfe, commissioner of the Tennessee Department of Economic and Community Development, said Smith & Wesson first reached out in the spring about potentially expanding its manufacturing there, and said he believes the company was looking at about five other states as well. But it was his team, which is tasked with recruiting new businesses to the state, that first proposed the idea of a headquarters relocation during a dinner meeting in Tennessee, he said.

It was a long shot, he said, given that Smith & Wesson is a large, publicly traded company with a deep history in Massachusetts. But corporate headquarters, he notes, comes with executives who'll participate in the community and philanthropic efforts. They're worth a try.

"That's a decision that nobody takes lightly," he said. "Do we always convert an expansion for manufacturing into a new headquarters? I wouldn't say our batting average is close to 1,000 percent . . . but if you win one, that is one more than you had the day before."

And amid mounting pressure for tougher gun laws, Smith & Wesson has become increasingly controversial in deep blue Massachusetts, despite its long roots here. In 2018, students from across the state rallied outside the Springfield headquarters to call for stricter gun laws.



*In 2018, students from across the state protested outside Smith & Wesson's headquarters, in Springfield, calling for stricter gun laws. Jessica Rinaldi*

Massachusetts residents are already barred from buying the AR-15-style semiautomatic rifles, but the guns can be made here and sold across state lines. And in April, Democrats on Beacon Hill filed a bill to ban the manufacture of certain kinds of firearms unless they are intended for sale to the military or law enforcement. If passed, it would keep Massachusetts-made assault weapons out of the hands of all private citizens.

In its announcement Thursday, Smith & Wesson pointed to that bill — which it called “arbitrary and damaging” — as a major factor in its decision to leave Massachusetts. The company said the bill would block production of guns that account for more than 60 percent of its sales.

But the measure has not become law or even had a hearing before the Democratic-dominated Legislature. When it was filed, neither Senate President Karen E. Spilka nor House Speaker Ronald Mariano took a public position on it. And in a statement Thursday, Mariano seemed dismissive of the company's explanation.

“Prudent businesspeople don’t make major decisions, especially a decision that puts hundreds of people out of a job, based on one of the thousands of bills filed each session,” he said. Spilka did not return a request for comment Thursday.

Representative Marjorie Decker, the Cambridge Democrat who sponsored the gun manufacturing bill, was even more pointed in her criticism.

“Smith and Wesson’s statement today is filled with as many holes as a target range. While their press release is politically convenient for them, it’s disingenuous,” she said. “This is about cheaper labor.”

And Representative Bud Williams, a Democrat who represents Springfield and has backed the bill, said Thursday that he was “disappointed” with Smith & Wesson for behaving like a “typical bottom-line American company, thinking about money and not lives.”

“It’s just greed, that’s all there is,” Williams said. “At some point in time, as a society, we have to make some tough decisions. . . . At what point does human life have any value?”

Demand for Smith & Wesson products has skyrocketed over the past year, boosting the company’s net revenue to more than \$1 billion for the first time in its history.

In announcing the move, the company also pointed to greater availability of labor, “favorable location for distribution” of its products, and lower costs of living and doing business in Tennessee, which has no state income tax. Rolfe said that Tennessee offered Smith & Wesson an incentive package to relocate but that those details would not be publicly available for another 30 days.

John Boyd, principal at corporate site selection firm The Boyd Co., said that the move was likely driven by a wide range of business factors, but that politics and antigun sentiment on Beacon Hill played a role too.

“A major employer does not want to feel that the Legislature is antagonistic to their goals and bottom line,” he said.

For two centuries, the Connecticut River Valley in Western Massachusetts and Connecticut has been a cradle of the gun industry, even earning the moniker “Gun Valley.” But Smith & Wesson is the latest — and largest — gunmaker to drift south in recent years. Colt has gradually moved production out of its longtime home in Hartford. In 2014 TR Industries moved from Connecticut to South Carolina in response to new firearms regulations, and a few months ago another Springfield manufacturer, Troy Industries, announced it would relocate to Clarksville, Tenn.

Smith & Wesson said employees affected by the move can relocate to Tennessee and those who choose not to go will receive enhanced severance. No jobs will be affected for roughly two years,

it said. Still, the move will wipe out roughly 550 jobs in Springfield, a loss Mayor Domenic J. Sarno called “devastating.”

“My number one priority will be to assist these employees and their families in any way we possibly can,” Sarno said in a statement.

Officials with the Baker administration did not immediately return messages seeking comment Thursday, and it’s not clear to what extent Massachusetts negotiated to keep Smith & Wesson’s headquarters in the state..

“Was there an eleventh-hour effort by the governor to put forth an incentive package?” Boyd said. “Typically there almost always is for a high-profile headquarters location — however this clearly is not the industry Massachusetts is actively courting.”

At least some in the state won’t be sorry to see Smith & Wesson go. John Rosenthal, who heads the group Stop Handgun Violence and has pushed the bill to restrict gun-making in the state, called the news “a win for public safety.”

“I hate to see Massachusetts lose jobs. . . . But these are jobs that are frankly leading to mass shootings,” he said. “Good riddance to Smith & Wesson, as far as I’m concerned.”