

SENATE No. 173

The Commonwealth of Massachusetts

PRESENTED BY:

John J. Cronin

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to establish a downtown vitality fund to strengthen local business districts and main streets.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>John J. Cronin</i>	<i>Worcester and Middlesex</i>	
<i>Vanna Howard</i>	<i>17th Middlesex</i>	<i>1/29/2025</i>
<i>John F. Keenan</i>	<i>Norfolk and Plymouth</i>	<i>2/27/2025</i>
<i>Robyn K. Kennedy</i>	<i>First Worcester</i>	<i>3/11/2025</i>

SENATE No. 173

By Mr. Cronin, a petition (accompanied by bill, Senate, No. 173) of John J. Cronin, Vanna Howard and John F. Keenan for legislation to promote downtown vitality. Community Development and Small Businesses.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 130 OF 2023-2024.]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

An Act to establish a downtown vitality fund to strengthen local business districts and main streets.

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

1 Chapter 10 of the General Laws, as appearing in the 2020 Official Edition, is hereby
2 amended by inserting after section 35SSS, the following new section:

3 Section 35TTT. Downtown Vitality Fund

4 (a) As used in this section, the following words shall, unless the context requires
5 otherwise, have the following meanings:-

6 “Agency”, the Executive Office of Housing and Economic Development.

7 “Commercial areas”, meaning central business districts, town centers, commercial
8 corridors (“Main Streets”), neighborhood-serving commercial districts, and other walkable,
9 mixed-use areas.

10 “District management entities”, which may include business improvement districts as
11 defined in section 1 of chapter 40o of the general laws, parking benefit districts as defined in
12 section 22A1/2 of chapter 40 of the general laws, cultural districts as defined in section 58A of
13 chapter 10 of the general laws, or other district management strategies approved by the agency.

14 “Secretary”, the Secretary of Economic Development.

15 "Fund", the Downtown Vitality Fund, established under subsection (b) of section 35QQQ
16 of chapter 10 of the general laws.

17 “Sales tax-regular”, the amount of retail sales tax collected by the commonwealth,
18 excluding taxes on meals, motor vehicles, cigarettes, fuels, alcohol, lodging, car rentals, and
19 other special categories.

20 (b) There is hereby established on the books of the commonwealth a separate fund to be
21 known as the Downtown Vitality Fund. There shall be credited to the fund 0.75% of the “Sales
22 tax-regular” receipts collected. Annual receipts into the fund on account of any fiscal year shall
23 be considered to meet the full obligation of the commonwealth to the fund for said fiscal year.

24 (c) Amounts in the fund shall be held by the Executive Office of Economic Development,
25 exclusively for the purposes of the fund, and the agency shall disburse amounts in the fund,
26 without further appropriation, upon the request from time to time of its Secretary. All amounts in
27 the fund, including investment earnings, shall be available for expenditure by the agency for any

lawful purpose. The Fund shall be administered by the Massachusetts Downtown Initiative within EOED along with line item 7002-8075 and other technical assistance funds allocated to the office.

(d) The agency shall report annually on grants dispersed by the fund to the clerks of the house and senate and to the house and senate committees on ways and means.

(e) The agency shall make expenditures from the fund for the following purposes and subject to the following guidelines:

(1) To provide grants to establish district management entities in commercial areas.

(2) To provide operating grants to help strengthen and sustain existing district management entities approved by the agency.

(3) To provide technical assistance grants for local district management entities to conduct studies or launch new programs, and which might be paid to a third-party entity.

(4) To provide multi-year grants to communities participating in the Transformative Development Initiative (TDI) program, to be administered by the Massachusetts Development Finance Agency ("MassDevelopment").

(5) To provide direct grants to municipalities or municipally endorsed third parties to implement local economic development plans, small business plans, rapid response plans, or other such plans intended to strengthen local commercial areas.

(6) The agency will establish guidelines for awarding grants, which will incorporate the following priorities: support small business districts in Gateway Cities and other low-income areas; expand entrepreneurship opportunities among underrepresented communities; strengthen

cultural identity and prevent cultural displacement; and require a local match set at a level commensurate with the strength of the local market economy.

(f) Not later than September 1 of each year, the secretary shall file a report in writing with the joint committee on community development and small businesses and the house and senate committees on ways and means concerning the grants made in the fiscal year ending on the preceding June 30.

(g) There shall be established a board to be known as the Downtown Vitality Advisory Board. Said board shall consist of at least 15 members, who shall be citizens of the commonwealth, and appointed by the secretary. The members of the board shall include at least one representative of the Massachusetts Development Finance Agency (MassDevelopment); at least one representative of the Massachusetts Cultural Council; at least two business improvement districts; at least two cultural districts; at least one Gateway City mayor, manager, or economic development director; at least one non-Gateway City municipal representative; and at least three members of small business representatives serving underrepresented communities, including immigrants and people of color. The Secretary shall appoint members for terms no longer than three years. Members shall serve without compensation. The board shall advise the director on the activities and uses of the fund including, but not limited to: reviewing and making recommendations on grant requirements and selection criteria, and reviewing grant applications and making recommendations relative to grant awards. The advisory board shall, from time to time, submit recommendations to the legislature on any legislative changes it deems necessary for the successful operation of the fund.