

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Second General Court
(2021-2022)**

1 by adding after section X the following sections:-

2 "SECTION X1. Subsection (i) of section 16G of chapter 6A of the general laws, as so
3 appearing in the 2018 official edition, is hereby amended by adding, at the end of the first
4 paragraph, the following sentence:-

5 The annual report shall include an analysis of the share of economic development funds
6 administered by state agencies, including loans, grants, tax credits, and technical assistance
7 services, provided to entities certified under federal or state law as a minority-owned business.

8 SECTION X2. Subsection (i) of section 16G of chapter 6A of the general laws, as so
9 appearing, is hereby further amended by striking out, in the second paragraph, clauses 8, 9, and
10 10 and inserting in place thereof the following three clauses:-

11 (8) a report of patents or products resulting from agency-funded activities;

12 (9) a description of technical assistance that the agency provided; and

13 (10) the share of loans, grants, tax credits, or technical assistance services provided to
14 entities certified under federal or state law as a minority-owned business.

15 SECTION X3. Subsection (l) of section 16G of chapter 6A of the general laws, as so
16 appearing, is hereby amended by striking out the second paragraph and inserting in place thereof
17 the following paragraph:-

18 The secretary of housing and economic development, with the assistance of economic
19 development planning council appointed under this section, shall develop and implement a
20 written comprehensive economic development policy for the commonwealth and a strategic plan
21 for implementing the policy. The policy shall set long term goals and measurable benchmarks
22 which are not limited to a particular gubernatorial administration and shall give consideration to
23 any impacts the plan may have on businesses employing 10 or fewer people. The strategic plan
24 shall include any major economic development initiatives and programs of the secretariat and
25 any agencies subject to this section. The strategic plan shall also include an assessment of racial
26 and ethnic disparities in employment and business ownership and an analysis of how the
27 economic development initiatives contained in the plan will contribute to reducing such
28 disparities. In developing the policy, the council shall review the published economic
29 development policy and plan in effect at the commencement of the governor's term of office and
30 may hold public hearings throughout the commonwealth. However, the council shall hold at least
31 one public hearing on the topic of racial and ethnic disparities in employment and business
32 ownership in the commonwealth.

33 SECTION X4. Chapter 7 of the General Laws is hereby amended by inserting after
34 section 62 the following section:-

35 (a) The general court finds and declares that:

36 (1) It is in the state’s interest to encourage competitive business opportunities for all of its
37 people. As anchor institutions, hospitals and higher education institutions are uniquely positioned
38 to build relationships within the communities they serve through the development, inclusion, and
39 utilization of certified minority-owned business enterprises whenever possible.

40 (2) By providing that each major anchor institution submit to the Office of Supplier
41 Diversity a report explaining the institution’s supplier diversity statement and expressing its
42 goals regarding certified minority-owned businesses, and the office placing that information on
43 the office’s internet website, that online resource will help facilitate these supplier relationships.

44 (b) As used in this section, the following words shall have the following meanings, unless
45 a contrary intent is clearly indicated:—

46 “Anchor institution”, a licensed hospital or college or university physically located in
47 Massachusetts.

48 “Certified business enterprise”, a state- or federally-designated minority-owned business
49 physically located in the United States.

50 “Office”, means the Office of Supplier Diversity.

51 “Operating expenses”, means operating expenses, excluding physician professional fees,
52 as reflected in the annual financial report submitted to the office.

53 (c) On or before July 1 of each year, each anchor institution with operating expenses of
54 \$50,000,000 or more, or \$25,000,000 or more when operating as a component of a larger
55 hospital or university system, shall submit an annual report to the office on its minority

56 enterprise procurement efforts during the previous year. The annual report shall include all of the
57 following:

58 (1) The anchor institution's supplier diversity policy statement.

59 (2) The anchor institution's outreach and communications to minority business
60 enterprises, including:

61 (i) How the anchor institution encourages and seeks out minority business enterprises to
62 become potential suppliers.

63 (ii) How the anchor institution encourages its employees involved in procurement to seek
64 out minority business enterprises to become potential suppliers.

65 (iii) How the anchor institution conducts outreach and communication to minority
66 business enterprises.

67 (iv) How the anchor institution supports organizations that promote or certify minority
68 business enterprises.

69 (v) Information regarding appropriate contacts at the anchor institution for interested
70 business enterprises.

71 (vi) The anchor institution's procurements that are made from minority business
72 enterprises with at least a majority of the enterprise's workforce in Massachusetts, with each
73 category aggregated separately, to the extent that information is readily accessible. An anchor
74 institution that is part of a system may report the diversity of its procurement in compliance with
75 this subparagraph from a system level if there are suppliers that provide services or goods to all

76 units within the system. An anchor institution shall report the diversity of the remainder of its
77 procurement, including the suppliers that do not resource the entire system.

78 (3) The report may include other relevant information the office or anchor institution
79 deems necessary.

80 (d) This section shall not be construed to require quotas, set-asides, or preferences in an
81 anchor institution's goods or services.

82 (e) By July 1, 2021, the office shall establish and maintain a link on the office's internet
83 website that provides public access to the contents of each anchor institution's report on minority
84 business enterprise procurement efforts. The office shall include a statement on the office's
85 internet website that the information contained in the anchor institution's report on minority
86 business enterprises is provided for informational purposes only.

87 SECTION X5. Chapter 10 of the general laws, as so appearing in the 2018 official
88 edition, shall be amended by adding, after section 10A, the following new section:-

89 Section 10B. Prior to the state treasurer's deposit of cash reserves to eligible lending and
90 banking institutions, as defined in section 10A of chapter 10 of the general laws, the treasurer
91 shall ensure the division of banks, as defined in section 1 of chapter 167 of the general laws, has
92 collected data required of lending institutions pursuant to section 13A of chapter 167 of the
93 general laws.

94 SECTION X6. Chapter 10 of the general laws, as appearing in the 2018 edition, is hereby
95 amended by inserting after section 35LLL, the following new section:

96 Section 35MMM (a) As used in this section, the following words shall, unless the context
97 requires otherwise, have the following meanings:-

98 “Agency”, the Massachusetts Development Finance Agency.

99 “Director” or “Executive Director”, the Chief Executive Officer of the Massachusetts
100 Development Finance Agency.

101 "Fund", the Small Business District Improvement Fund, established under subsection (b)
102 of section 35MMM of chapter 10 of the general laws.

103 "Dedicated remote retailers sales tax revenue amount", all moneys received by the
104 commonwealth equal to 5 per cent of the receipts from sales from remote retailers, which include
105 both remote marketplace sellers and remote marketplace facilitators as defined by 830 CMR
106 64H.1.9.

107 (b) There is hereby established on the books of the commonwealth a separate fund to be
108 known as the Small Business District Improvement Fund. There shall be credited to the fund the
109 dedicated remote retailers sales tax revenue amount. Annual receipts into the fund on account of
110 any fiscal year shall be considered to meet the full obligation of the commonwealth to the fund
111 for said fiscal year.

112 (c) Amounts in the fund shall be held by the Massachusetts Development Finance
113 Agency, as trustee and not on account of the commonwealth, exclusively for the purposes of the
114 fund, and the agency shall disburse amounts in the fund, without further appropriation, upon the
115 request from time to time of its executive director. All amounts in the fund, including investment
116 earnings, shall be available for expenditure by the agency for any lawful purpose.

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

119 (e) The agency shall make expenditures from the fund for the following purposes:

120 (1) To provide matching grants to implement district management strategies in
121 commercial areas, which may include establishing or strengthening a business improvement
122 district as defined in section 1 of chapter 40o of the general laws, a parking benefit district as
123 defined in section 22A1/2 of chapter 40 of the general laws, a cultural district as defined in
124 section 58A of chapter 10 of the general laws, or other district management strategy approved by
125 the agency, provided that the district is located in a municipality certified as a gateway
126 municipality as defined in section 3A of chapter 23A of the general laws, or a municipality
127 where at least 20% of the population is non-white, or is a cultural or commercial district whose
128 mission includes serving a community that is underrepresented in business ownership in the
129 commonwealth.

130 (2) To provide grants to help local commercial areas and districts expand their customer
131 base, provided that this financial assistance may be administered through a contract with the
132 Agency. Said grants shall be for amounts not to exceed \$250,000 and shall be for a term not to
133 exceed 2 years.

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

138 (g) The director, in consultation with the secretary of housing and economic
139 development, shall adopt regulations to carry out this section, including providing an application
140 and selection process.

141 (h) There shall be established a board to be known as the Small District Improvement
142 Fund Advisory Board. Said board shall consist of 12 members, who shall be citizens of the
143 commonwealth, and appointed by the director. The members of the board shall include: 3
144 members who shall be selected from a list of 5 individuals recommended by the Massachusetts
145 Association of Community Development Corporations; 3 members who shall be from a list of 5
146 individuals recommended by the Massachusetts Retailers Association; 3 members who shall be
147 selected from a list of 5 individuals recommended by the Black Economic Council of
148 Massachusetts; and 3 members who shall be from organizations representing business owners of
149 color. Of the members originally appointed, 3 shall serve a term of 1 year, 3 shall serve a term of
150 2 years, and 3 shall serve a term of 3 years in a manner determined by the director. Thereafter, as
151 the terms of said members expire, the director shall appoint members for terms of 2 years.
152 Vacancies shall be filled by appointment by the director for the remainder of the unexpired term.
153 All members shall serve until the qualification of their respective successors. Members shall
154 serve without compensation. The board shall advise the director on the activities and uses of the
155 fund including, but not limited to: reviewing and making recommendations on grant
156 requirements and selection criteria, and reviewing grant applications and making
157 recommendations relative to grant awards. The advisory board shall, from time to time, submit
158 recommendations to the legislature on any legislative changes it deems necessary for the
159 successful operation of the fund.

160 (i) The director may contract with a private organization to carry out some or all of the
161 agency's duties provided in this section.

162 SECTION X7. Section 22A of chapter 40 of the general laws, as appearing in the 2018
163 official edition, is hereby amended by inserting after the phrase "improvements to the public
164 realm" in paragraph 1, the following words:- including district management activities and
165 operations

166 SECTION X8. Section 22C of chapter 40 of the general laws, as appearing in the 2018
167 official edition, is hereby amended by inserting after the phrase, "public transportation station
168 accessibility improvements" the following words:- district management activities and operations,

169 SECTION X9. Chapter 167 of the general laws, as so appearing in the 2018 official
170 edition, shall be amended by adding, after section 13 the following new section:-

171 Section 13A. (a) The division of banks shall require the collection of small business
172 lending data from all lenders, including online lenders, and small businesses on an annual basis.
173 The division shall also analyze the impacts that lenders, including online lenders, and their
174 practices have on minority borrowers in the Commonwealth.

175 (b) The division shall promulgate regulations relative to the required collection of small
176 business lending data. Said regulations shall include, but not be limited to the following:

177 (1) the establishment of a central depository of the collection and analysis of small
178 business lending data, to include, but not be limited to the following: lending and banking
179 institutions' average annual percent rates, default rates, and fees.

180 (2) procedures for the solicitation and acceptance of reports regarding small businesses’
181 incidents of predatory lending practices.

182 (3) procedures for assessing the credibility and accuracy of reports of small business
183 lending data from lending institutions.

184 (c) The division shall file an annual report with the information obtained pursuant to
185 subsections (a) and (b) as well as recommendations for best practices for small business
186 borrower lending with the house and senate clerks and the house and senate chairs of the joint
187 committee on financial services not later than July 1.

188 SECTION X10. (a) Notwithstanding any general or special law to the contrary, all
189 appointive boards and commissions in the commonwealth established by the Massachusetts
190 general laws, including boards and commissions of a political subdivision of the state, if not
191 otherwise provided by law, shall adopt policies and practices designed to increase the racial and
192 ethnic diversity of their board membership and commission membership. To meet this goal, said
193 boards and commissions shall report on an annual basis to the secretary of state and the office of
194 the governor the following: (i) data on specific qualifications, skills and experience that the
195 board appointees considers for its board of directors and nominees for the board of directors and
196 commissions; (ii) the self-identified race and ethnicity of each member of said board of directors
197 and commissions; (iii) the number of total individuals on said boards and commissions; iv) a
198 description of the process of said board or commission for identifying, evaluating, and
199 determining nominees and appointees including, but not limited to, how demographic diversity is
200 considered; and (v) a description of the policies and practices of said boards and commissions for
201 promoting diversity, equity and inclusion among said boards and commissions and (vi) the total

202 number of people of color and the total number of individuals who serve as members on all
203 boards and commissions in the commonwealth.

204 (b) To track and measure progress, an annual report shall be published by the office of
205 the governor, annually, not later than July 1, that provides: (i) demographic data provided by all
206 public board and commission applicants, including boards and commissions of a political
207 subdivision of the state, relative to ethnicity and race; and (ii) demographic data provided by all
208 public board and commission nominees or appointees, including boards and commissions of a
209 political subdivision of the state, relative to ethnicity and race, pursuant to section (a) of this act.
210 Any demographic data disclosed or released pursuant to this section shall be anonymized to the
211 extent practicable and shall not identify an individual applicant, nominee or appointed board
212 member or commissioner. Said demographic data shall also disclose aggregated statistical data
213 by commission or board sector and by secretariat that governs said board or commission, if
214 applicable.

215 (c) Notwithstanding any general or special law to the contrary, and pursuant to any
216 established appointment procedures of individual boards or commissions in the commonwealth,
217 racial diversity shall be considered in any subsequent appointments made after July 1, 2021, to
218 any public boards and commissions in the commonwealth.

219 (d) By January 1, 2025 all boards and commissions shall, to the extent feasible, broadly
220 reflect the general public of the commonwealth, including the percentage of racial and ethnic
221 minorities in the general population.

222 SECTION X11. Sections X4 and X10 shall take effect on July 1, 2021."