**SENATE . . . . . . . . . . . . . . . No. 2867** 

Senate, July 11, 2024 -- Text of amendment (133) (offered by Senator Tarr) to the Ways and Means amendment (Senate, No. 2856) to the Senate Bill relative to economic development

## The Commonwealth of Massachusetts

In the One Hundred and Ninety-Third General Court (2023-2024)

1 by adding at the end the following section:-2 "SECTION XX. (a) This Act may be known as the MassMakers Act. For purposes of this 3 Act, the following terms shall have the following meanings unless the context clearly requires otherwise: 4 5 "Mass Main Streets", the office of Massachusetts main streets established pursuant to 6 Section 5 of this Act, for the purpose of protecting, coordinating, promoting, and revitalizing 7 downtowns and commercial districts of the commonwealth's cities and towns. 8 "MassMade business", an enterprise which (i) has its principal place of business in the 9 commonwealth; (ii) is in good standing with the department of revenue; (iii) is registered with 10 Supply Mass/Buy Mass, as defined in this Act; and (iv) produces raw materials, including 11 agricultural items, in the commonwealth, or manufactures products or goods in the 12 commonwealth. 13 "MassMakers Portal", the one-stop shop interactive web portal established pursuant to 14 Section 3 of this Act for prospective and established businesses in the commonwealth, to serve as 15 the single, unified entry point for business information and statutory and regulatory compliance.

"Massport Model", the bidder selection model implemented by the port authority which,
in the port authority's requests for proposals, requires bidders to incorporate diversity and
inclusion plans into their bids, such plans to be considered alongside traditional criteria when
evaluating bids and given a weight of 25%.

"Microbusiness", an enterprise which has its principal place of business in the commonwealth, is independently owned and operated, and (i) if a manufacturing firm, has 25 or fewer employees, or (ii) if a service, construction or non-manufacturing firm, has 25 or fewer employees and average annual gross receipts over the 3 previous years not exceeding \$3,500,000, indexed for inflation.

"Minority business", an enterprise which has its principal place of business in the commonwealth, is independently owned and operated, and at least 51% of which is owned and dominantly controlled by adult minority principals as defined in 425 CMR 2.02(1), or any successor regulation thereto.

"Small business", a business entity, including its affiliates, that: (i) is independently owned and operated; (ii) has a principal place of business in the commonwealth; and (iii) would be defined as a "small business" under applicable federal law, as established in the United States Code and promulgated from time to time by the United States Small Business Administration.

"Supply Mass/Buy Mass", the program established pursuant to Section 4 of this Act for the purpose of connecting local suppliers with local purchasers.

"Massachusetts-based business", an enterprise that: (i) has its principal place of business in the commonwealth; (ii) is in good standing with the department of revenue; and (iii) has been in business for at least 1 year."

(b) Section 22O of chapter 7 of the General Laws, as appearing in the 2020 Official Edition, is hereby amended by adding the following paragraph:-

When procuring goods or services through requests for proposals, state agencies shall consider the bidder's principal place of business in addition to other criteria when evaluating bids. The weight given to Massachusetts-based businesses when evaluating bids shall be determined by each agency of the commonwealth in collaboration with the executive office of housing and economic development, the executive office of labor and workforce development and the executive office for administration and finance.

(c) Chapter 9 of the General Laws is hereby amended by inserting after section 31 the following section:-

## Section 32: MassMakers Portal

Section 32. (a) There is hereby established a one-stop shop interactive web portal to be known as the MassMakers Portal for prospective and established businesses in the commonwealth. The state secretary, the executive office for administration and finance, the executive offices of education, energy and environmental affairs, health and human services, housing and economic development, labor and workforce development, public safety and security, and technology services and security, and the department of revenue shall jointly develop and implement the MassMakers Portal, which shall serve as a single, unified entry point for prospective and established businesses to obtain local business information and execute all statutory and regulatory compliance tasks required by the commonwealth in connection with the creation, continuing operation, or upscaling of business.

(b) In order to develop and implement the MassMakers Portal, the agencies identified in subsection (a) shall assemble a task force which shall consist of the state secretary, ex officio, or a designee, the secretaries of administration and finance, education, energy and environmental affairs, health and human services, housing and economic development, labor and workforce development, public safety and security, and technology services and security, ex officio, or their designees, the commissioner of revenue, ex officio, or a designee; 7 persons appointed by the attorney general, 1 of whom shall be from each of the 7 regions of the commonwealth: the western region, the central region, the northeast region, the Merrimack Valley, the metro west region, the Greater Boston region, and the southeast region; and 7 persons appointed by the governor, 1 of whom shall be from each of the 7 identified regions of the commonwealth. The governor, attorney general, state treasurer, and co-chairs of the task force shall have the discretion to appoint other members to the task force by majority vote. Persons appointed to the task force shall be members or representatives of the business community, including entrepreneurs, microbusiness owners, minority business owners and small business owners, and/or have demonstrated interests and experience in state agency processes, business regulations, web portal design and implementation, and/or other qualifications and experience that the appointing authorities determine are necessary to fulfilling the mission of the task force. Members shall be selected without regard to political affiliation, shall as fully as possible represent a diverse and equitable array of stakeholders, and shall serve without compensation. The state secretary, or a designee from among the members of the task force, and the secretary of housing and economic development, or a designee from among the members of the task force, shall serve as co-chairs.

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- (c) The task force shall perform a needs and cost assessment and may, subject to appropriation and the laws and regulations pertaining to the employment of consultants, employ such consultants as the task force deems necessary to assist in the execution of said assessment. Said assessment shall be completed and the results thereof shall be presented to the governor and the general court by March 1, 2025, to inform the budget of the next legislative annual session. The assessment shall include, but not be limited to, the following:
- (1) recommendations on the location, design, functionality and scope of services of the MassMakers Portal, which at a minimum shall include:
- (i) online account services through which businesses can monitor deadlines for submission of forms, documents and payments, as well as compliance status and standing with each state agency;
- (ii) electronic applications for licenses and renewals thereof;

- 93 (iii) electronic payment options for fees and taxes incident to the creation, continuing 94 operation or upscaling of business;
  - (iv) compliance alerts in connection with new or revised state statutes, regulations and procedures;
  - (v) toolkits and video tutorials on all aspects of starting a business in the commonwealth, operating a business, upscaling a business, completing forms and complying with state statutory and regulatory requirements in connection therewith;
  - (vi) Supply Mass/Buy Mass information, and coordination with Supply Mass/Buy Mass online services;

(vii) Mass Main Streets information, and coordination with Mass Main Streets online 103 services; 104 and 105 (viii) technical assistance resources; 106 (2) an estimate of the costs of full implementation of the MassMakers Portal, including, 107 but not limited to, those associated with technology, infrastructure, operations and maintenance, 108 sharing and coordination of agency data, and security; 109 (3) recommendations for and an estimate of the costs of establishing and maintaining a 110 help center staffed with persons trained to answer questions and assist with navigation of the 111 MassMakers Portal; 112 (4) recommendations on the time-line for designing, developing and testing the 113 MassMakers Portal, which at the latest shall have its first testing phase for the state secretary's 114 office to process new business registrations and associated fee payments by December 31, 2024, 115 and shall have its second testing phase to submit tax payments with the department of revenue by 116 December 31, 2025; 117 (5) recommendations as to the roles of the agencies identified in subsection (a) regarding 118 ongoing operational management of the MassMakers Portal; 119 (6) a comprehensive analysis of the processes of all state agencies with respect to the 120 creation, continued operation or upscaling of businesses located in the commonwealth, with a

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goal of simplifying and streamlining regulatory tasks and forms required by said agencies and

strengthening the delivery of services provided by said agencies to entrepreneurs, microbusinesses, small businesses, and other businesses in the commonwealth;

- (7) identification of any state statutory, regulatory or procedural changes that need to be made to effectuate the functionality of the MassMakers Portal;
- (8) identification of existing entrepreneurial, microbusiness, small business, and other business assets, resources, web content and functions provided by state agencies to coordinate and incorporate such assets, resources, web content and functions into the MassMakers Portal;
- (9) identification of potential impediments to functionality posed by federal law, if any, and recommendations for work-arounds or solutions to such impediments;
  - (10) the impact of prioritizing microbusiness applications and account services; and
- (11) recommendations on potential incentives to encourage municipalities or regional planning authorities to create local portals for similar purposes or committed to similar mission outcomes as the MassMakers Portal, with the option of linking to or being incorporated into the MassMakers Portal.
- (d) The task force may, subject to appropriation, appoint and may remove all such employees as may be necessary to carry out the work of designing and implementing the MassMakers Portal based on the results of the needs and cost assessment. Unless otherwise provided by law, all such appointments and removals of employees shall be made under chapter 31.
- (e) The state secretary shall hold as a separate fund and may expend such sums as may be appropriated for the MassMakers Portal by the general court, and may accept gifts, donations,

grants or bequests or any federal funds for any of the purposes set forth in this section, which shall be credited to the fund. All available money in the fund that is unexpended at the end of each fiscal year shall not revert to the General Fund and shall be available for expenditure by the task force in the subsequent fiscal year.

- (f) The state secretary is hereby authorized to promulgate regulations to assure the timely and effective implementation of this section.
- (d) Chapter 10 of the General Laws, as appearing in the 2020 Official Edition, is hereby amended by inserting after section 35PPP, the following new section:
- Section 35QQQ. (a) As used in this section, the following words shall, unless the context requires otherwise, have the following meanings:-
- "Agency", the Executive Office of Housing and Economic Development.
  - "Commercial areas", meaning central business districts, town centers, commercial corridors ("Main Streets"), neighborhood-serving commercial districts, and other walkable, mixed-use areas.
  - "District management entities", which may include business improvement districts as defined in section 1 of chapter 400 of the general laws, parking benefit districts as defined in section 22A1/2 of chapter 40 of the general laws, cultural districts as defined in section 58A of chapter 10 of the general laws, or other district management strategies approved by the agency.
- "Secretary", the Secretary of Housing and Economic Development.
- "Fund", the Downtown Vitality Fund, established under subsection (b) of section 35QQQof chapter 10 of the general laws.

"Dedicated remote retailers sales tax revenue amount", all moneys received by the commonwealth equal to 1 per cent of the receipts from sales from remote retailers, which include both remote marketplace sellers and remote marketplace facilitators as defined by 830 CMR 64H.1.9.

- (b) There is hereby established on the books of the commonwealth a separate fund to be known as the Downtown Vitality Fund. There shall be credited to the fund the dedicated remote retailers sales tax revenue amount. Annual receipts into the fund on account of any fiscal year shall be considered to meet the full obligation of the commonwealth to the fund for said fiscal year.
- (c) Amounts in the fund shall be held by the Executive Office of Economic Development, exclusively for the purposes of the fund, and the agency shall disburse amounts in the fund, without further appropriation, upon the request from time to time of its Secretary. All amounts in the fund, including investment earnings, shall be available for expenditure by the agency for any lawful purpose.
- (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, sustain.

(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) 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; provide multi-year operating funding where appropriate; and encourage 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) The secretary shall adopt regulations to carry out this section, including providing an application and selection process.
- (h) There shall be established a board to be known as the Downtown Vitality Advisory Board. Said board shall consist of 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 from small businesses or groups serving underrepresented communities, including immigrants and people of

color. Of the members originally appointed, 3 shall serve a term of 1 year, 3 shall serve a term of 2 years, and 3 shall serve a term of 3 years in a manner determined by the director. Thereafter, as the terms of said members expire, the director shall appoint members for terms of 2 years.

Vacancies shall be filled by appointment by the director for the remainder of the unexpired term. All members shall serve until the qualification of their respective successors. 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.

- (i) The secretary may contract with a private organization to carry out some or all of the agency's duties provided in this section.
- (e) Chapter 23A of the General Laws is hereby amended by striking out section 10A and inserting the following section:-
- Section 10A: Supply Mass/Buy Mass; MassMade

Section 10A. (a) In order for the commonwealth to execute on its responsibility of facilitating expansion of the local economy, MOBD shall establish a program to be known as Supply Mass/Buy Mass for the purpose of connecting local suppliers with local purchasers, whether public or private, institutional, commercial or individual. In implementing said program, MOBD shall:

228 (1) establish requirements for local suppliers to register as MassMade businesses with 229 Supply Mass/Buy Mass;

- (2) design and implement a Supply Mass/Buy Mass interactive web portal through which local suppliers can register as MassMade businesses and create MassMade business profiles with industry-specific information;
- (3) assemble a searchable database of MassMade businesses through the portal by industry, raw materials produced or products or goods manufactured, and other identifying characteristics, with specific search features independently tailored toward local institutional purchasers, commercial purchasers, and individual purchasers;
- (4) develop toolkits and training videos available through the portal to guide MassMade businesses to better understand the needs and procurement processes of local institutional and commercial purchasers;
- (5) enable local institutional and commercial purchasers to issue requests for proposals through the portal and MassMade businesses to respond to such requests through the portal;
- (6) promote live networking events through the portal to connect MassMade businesses with local institutional and commercial purchasers;
- (7) determine those raw materials, products or goods needed by local institutional and commercial purchasers currently purchased outside the commonwealth or from foreign countries, especially raw materials, products or goods required for the first time; inquire whether other local institutional or commercial purchasers are in need of such raw materials, products or

goods; assess whether any MassMade businesses are capable of producing or manufacturing the needed raw materials, products or goods with additional capital or retooling;

- (8) coordinate and connect the portal with the MassMakers Portal;
- (9) identify other obstacles to conducting business in the commonwealth and advance resources through the portal to address those obstacles to the extent possible;
  - (10) promote public-private partnerships;

- (11) develop, evaluate and recommend policies, initiatives and incentives to prevent consumer flight from local suppliers in the cities and towns of the Merrimack Valley and other border municipalities to suppliers in New Hampshire or other tax advantaged states or from other sources; and
  - (12) undertake any other activities necessary to implement the purposes of this section.

Dedicated effort shall be made to encourage diversity and advance equity based on race, color, religious creed, national origin, sex, gender identity, sexual orientation, genetic information, ancestry, disability, and language in implementing Supply Mass/Buy Mass.

(b) MOBD may consult with and seek input from interested stakeholders and shall work with entities including MassMade businesses, regional economic development organizations, microbusiness and small business associations, chambers of commerce, the supplier diversity office, the Massachusetts marketing partnership and the office of consumer affairs and business regulations in order to collect and provide business and product information related to MassMade businesses. All Supply Mass/Buy Mass information shall be readily accessible and free to the public.

- (c) MOBD shall hold as a separate fund and may expend such sums as may be appropriated for Supply Mass/Buy Mass by the general court, and may accept gifts, donations, grants or bequests or any federal funds for any of the purposes set forth in this section, which shall be credited to the fund. All available money in the fund that is unexpended at the end of each fiscal year shall not revert to the General Fund and shall be available for expenditure by MOBD for Supply Mass/Buy Mass in the subsequent fiscal year.
- (d) MOBD is hereby authorized to promulgate regulations to assure the timely and effective implementation of this section.
- (f) Chapter 23A of the 2020 Official Edition of the General Laws is hereby amended after section 13 by inserting the following new section:-

## 131/2. Office of Massachusetts Main Streets

Within Office of Business Development, there shall be established an Office of Massachusetts Main Streets. The Office of Massachusetts Main Streets shall serve as the principal agency for promoting and protecting the downtown and commercial districts of the commonwealth's cities and towns. The Office of Massachusetts Main Streets shall provide informational, marketing, and technical assistance to federal, state and local Main Street groups and coordinate federal, state and local Main Street efforts to further accomplish the goal of promoting and protecting downtown and commercial districts of the Commonwealth.

(b)(1) The executive director of MMS shall be appointed by the governor, and serve at the pleasure of the governor. The position of executive director of MMS shall be classified under section 45 of chapter 30 and the executive director of MMS shall devote full time during business hours to the duties of MMS.

(d) The executive director of MMS may, subject to appropriation and with the approval of MOBD, appoint and may, with like approval, remove all such employees as may be necessary to carry out the work of MMS. Unless otherwise provided by law, all such appointments and removals shall be made under chapter 31. The executive director may, subject to appropriation and the laws and regulations pertaining to the employment of consultants, employ such consultants as the executive director may deem necessary.

- (g) MMS may accept and solicit funds, including any gifts, donations, grants or bequests or any federal funds for any of the purposes set forth in this section, which shall be credited to the Mass Main Streets Trust Fund established pursuant to subsection (h).
- (h)(1) There shall be a Mass Main Streets Trust Fund which shall be administered by MOBD as custodian for MMS and held by MOBD separate and apart from its other funds. There shall be credited to the fund such sums received pursuant to subsection (g) and such sums as may be appropriated for MMS by the general court.
- (2) All available money in the fund that is unexpended at the end of each fiscal year shall not revert to the General Fund and shall be available for expenditure by MMS in the subsequent fiscal year.
- (3) MMS shall submit an annual report to MOBD, the clerks of the senate and house of representatives and the joint committee on community development and small businesses not later than December 31 on the cost-effectiveness of the fund. The report shall be made available on the MMS website. The report shall include: (i) expenditures made by MMS from money out of the fund to promote the revitalization of downtowns and commercial districts of the

commonwealth's cities and towns and to otherwise fulfill the mission of MMS pursuant to this section; and (ii) expenditures made by MMS for administrative costs.

(g) Chapter 23A of the General Laws is hereby amended by inserting after section 66 the following section:-

Section 66A: Microbusiness and minority business strategy commission; members; powers and duties; meetings; annual report

Section 66A. (a) There shall be a microbusiness and minority business strategy commission within, but not subject to the supervision or control of, the executive office of housing and economic development. The mission of the commission shall be to enhance the economic vitality of the commonwealth's microbusinesses and minority businesses, recognizing the fundamental role that microbusinesses and minority businesses play in the economy and the contributions made by microbusinesses and minority businesses to the general welfare of the commonwealth.

(b) The commission shall consist of the following 19 members: the secretary of housing and economic development, ex officio, or a designee; the secretary of administration and finance, ex officio, or a designee; the chair of the commission against discrimination, ex officio, or a designee; the executive director of Massachusetts Main Streets, ex officio, or a designee; the director of the supplier diversity office, ex officio, or a designee, and 14 persons appointed by the governor, 2 of whom shall be from each of the 7 regions of the commonwealth: the western region, the central region, the northeast region, the Merrimack Valley, the metro west region, the Greater Boston region, and the southeast region. Of those 14 appointees, at least 3 shall be microbusiness owners or representatives of microbusiness owners in underserved communities

or communities with a high percentage of low-income households, at least 3 shall be minority business owners or representatives of minority business owners in underserved communities or communities with a high percentage of low-income households, and at least 3 shall be founders or organizers of platforms, pop-up markets, or other vendor collaboratives serving microbusinesses organized for similar purposes or committed to similar mission outcomes, and/or minority businesses organized for similar purposes or committed to similar mission outcomes for advancing equity based on race, color, religious creed, national origin, sex, gender identity, sexual orientation, genetic information, ancestry, disability, or language.. (c) Members of the commission may serve a maximum of 3 consecutive 3-year terms. A vacancy occurring on the commission shall be filled within 90 days by the original appointing authority. A person appointed to fill a vacancy shall serve initially only for the balance of the unexpired term. The commission shall annually elect from among its members a chair, a vice chair, and any other officers it considers necessary. The members of the commission shall receive no compensation for their services but shall be reimbursed for any usual and customary expenses incurred in the performance of their duties. Members shall be considered special state employees for the purposes of chapter 268A. Each member of the commission shall be a resident of the commonwealth.

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(d) The commission shall serve as a research body for issues critical to the welfare and vitality of the commonwealth's microbusinesses and minority businesses and shall: (i) study, review and report on the status of microbusinesses and minority businesses in the commonwealth; (ii) advise the general court and the executive branch of the impact of existing and proposed state laws, policies and regulations on the commonwealth's microbusinesses and minority businesses; (iii) advance legislative and policy solutions that address the needs of the

commonwealth's microbusinesses and minority businesses; (iv) advocate to ensure that the commonwealth's microbusinesses and minority businesses receive a fair share of state investment; (v) work with lending institutions, insurance companies, and other private businesses in the commonwealth to encourage formation of seed money and microcredit opportunities for facilitating the starting up and upscaling of microbusinesses and minority businesses in their efforts to obtain loan money and operating capital from private and public lenders; (vi) promote collaboration among the commonwealth's microbusinesses and minority businesses to improve efficiency in delivery of services and other cost efficiencies; and (vii) develop and support access to state resources for the commonwealth's microbusinesses and minority businesses. The executive office shall provide the commission with adequate office space and any research, analysis or other staff support that the commission reasonably requires.

- (e) The commission shall meet on a quarterly basis at the discretion of the chair. Meeting locations shall rotate between the 7 regions of the commonwealth identified in subsection (b). Meetings shall be open to the public pursuant to sections 18 to 25, inclusive, of chapter 30A.
- (f) The commission may accept and solicit funds, including any gifts, donations, grants or bequests or any federal funds for any of the purposes of this section. The funds shall be deposited in a separate account with the state treasurer, shall be received by the state treasurer on behalf of the commonwealth and shall be expended by the commission under the law.
- (g) The commission shall annually, not later than June 2, report the results of its findings and activities of the preceding year and its recommendations to the governor and to the clerks of the senate and the house of representatives who shall forward the same to the joint committee on economic development and emerging technologies.

(h) Notwithstanding any general or special law, regulation, policy or procedure to the contrary, microbusinesses shall be exempt from the annual report fees imposed by the state secretary's office, and minority businesses that qualify as microbusinesses shall be exempt from the diversity certification and third-party certification application fees imposed by the supplier diversity office. The state secretary is hereby authorized to promulgate regulations to assure the timely and effective implementation of this subsection.

- (h) Section 22A of chapter 40, as so appearing, is hereby amended by inserting, in paragraph 1, line 28, after the phrase "improvements to the public realm" the following words: "including district management activities and operations"
- (i) Section 22C of said chapter 40, as so appearing, is hereby amended by inserting, in line 11, after the phrase, "public transportation station accessibility improvements" the following words: "district management activities and operations,".
- (j) Chapter 66 of the General Laws is hereby amended by inserting after section 5A, the following section:-
- Section 5B. Limited liability entities and business and nonprofit corporations organized or registered to do business in the Commonwealth, shall keep all local, state and federally issued operating licenses in a binder that shall be made readily accessible to the public upon verbal request during normal hours of operation."