

HOUSE No. 3038

The Commonwealth of Massachusetts

PRESENTED BY:

Antonio F. D. Cabral

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:	DATE ADDED:
<i>Antonio F. D. Cabral</i>	<i>13th Bristol</i>	<i>1/17/2025</i>
<i>Rodney M. Elliott</i>	<i>16th Middlesex</i>	<i>2/4/2025</i>
<i>Christopher Hendricks</i>	<i>11th Bristol</i>	<i>2/5/2025</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>	<i>3/5/2025</i>

HOUSE No. 3038

By Representative Cabral of New Bedford, a petition (accompanied by bill, House, No. 3038) of Antonio F. D. Cabral and others for legislation to establish a downtown vitality fund to strengthen local business districts and main streets funded by a portion of the sales tax. Revenue.

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 SECTION 1. Chapter 10 of the General Laws, as appearing in the 2022 Official Edition,
2 is hereby 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
28 lawful purpose. The Fund shall be administered by the Massachusetts Downtown Initiative
29 within EOED along with line item 7002-8075 and other technical assistance funds allocated to
30 the office.

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

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

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

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

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

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

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

46 (6) The agency will establish guidelines for awarding grants, which will incorporate the
47 following priorities: support small business districts in Gateway Cities and other economically-
48 disadvantaged areas; expand entrepreneurship opportunities among underrepresented
49 communities; strengthen cultural identity and prevent cultural displacement; and require a local
50 match set at a level commensurate with the strength of the local market economy.

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

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