

## Massachusetts House of Representatives Bill Summary

<b>Bill #:</b>	H.485
<b>Title:</b>	An Act relative to state grants targeting minority communities
<b>Sponsor:</b>	Rep. Carlos González
<b>Committee:</b>	Economic Development and Emerging Technologies
<b>Hearing Date:</b>	June 5, 2025
<b>Reporting Deadline:</b>	August 4, 2025 (subject to extensions under House Rule 27)
<b>Prior History:</b>	<p>2023-2024 (H.411): Ordered to a House Study-See Study Order H.4593</p> <p>2021-2022 (H.289): Order to a House Study by Community Development and Small Business-See Study Order H.5027</p> <p>2019-2020 (H.184): No Action by Community Development and Small Business Committee</p> <p>2017-2018 (H.1665): Reported Favorably by State Administration Committee, Referred to House Ways and Means</p>
<b>Key Terms:</b>	<p>A CDC or a community development corporation is a non-profit corporation organized under chapter 180 of MGL and is exempt from taxation under section 501(c) of the Internal Revenue Code. This corporation focuses a majority of its efforts on serving 1 or more specific neighborhoods or municipalities, a region of the commonwealth or a constituency that is economically disadvantaged, has a purpose of engaging local residents and businesses to undertake community development programs to improve communities in sustainable ways that create economic opportunities, and has a board of directors that represents the constituencies they serve.</p> <p>A minority owned business is defined in section 6 of chapter 7C of MGL as a business or businesses that is 51% owned by minority persons (American Indian, Black, Cape Verdean, Western Hemisphere Hispanic, Aleut, Eskimo or Asian) or in the case of a corporation having more than one class of stockholders, the</p>

ownership requirement must be met as to each class of stock; the minority owners shall demonstrate that they have dominant control over management; the business has not been established solely for the purpose of taking advantage of a special program which has been developed to assist minority businesses; or the minority business shall have more than 50% control over management of the project bid upon and shall have the right to receive more than 50% of the profits deriving from that project.

**Current  
Law:**

Chapter 23G of MGL concerns the Massachusetts Development Finance Agency, which is known as MassDevelopment.

- Section 3 lists the powers of MassDevelopment. Subsection 29 of this section authorizes MassDevelopment to make and administer loans, provide credit enhancement to persons including governmental agencies and instrumentalities, and sell participations in said loans or purchase participations in said loans for the acquisition, development, redevelopment, improvement or use of lands described in clause 23 of this section; for the construction, rehabilitation, improvement, or demolition of maintenance of buildings; or for the acquisition, establishment, development, redevelopment, stabilization, management, improvement, maintenance or operation of small business incubator facilities.

Chapter 23I of MGL governs the Massachusetts Life Sciences Center.

- Section 4 of this chapter outlines the powers of the Massachusetts Life Sciences Center. Subsection 22 of this section authorizes the Massachusetts Life Sciences Center to disburse, appropriate, grant, loan or allocate funds for the purposes of investing in life sciences, emerging technologies, stem cell research, biotechnology, nanotechnology, biodefense and advanced sciences as directed.

Chapter 40G of MGL concerns the Massachusetts Technology Development Corporation, which is known as MassTech.

- Section 3 of this chapter lists the powers of MassTech. Subsection (p) authorizes MassTech to finance, conduct, or cooperate in financing or conducting technological, business, financial, or other investigations which are related to or likely to lead to business and economic development by making and entering into contracts and other appropriate arrangements, including the provision of grants, loans, and other forms of assistance.

Chapter 40W of MGL governs the Massachusetts Growth Capital Corporation, which has recently merged with MassDevelopment.

- Section 3 of this chapter outlines the powers and duties of the Massachusetts Growth Capital Corporation. Subsection (t) of this section authorizes the Massachusetts Growth Capital Corporation to make loans or grants, finance or invest in, a business to further the purposes of this chapter. Such loans or grants may be made to a certified community development corporation or other community based nonprofit entities for the purpose of such corporations or entities providing financing to businesses.

**Summary:** This bill requires that at least 30% of grants issued by MassDevelopment, the Massachusetts Life Sciences Center, MassTech, and the Massachusetts Growth Capital Corporation, which has recently merged with MassDevelopment, be given to majority-minority owned and operated businesses.

Section 1 amends subsection (p) of section 3 of chapter 40G of MGL, which concerns the power of MassTech to finance, conduct, or cooperate in the financing or conducting of technological, business, financial or other investigations connected to business and economic development, by inserting a provision requiring that at least 30% of the recipients of the grants, loans, and other forms of assistance they provide be minority-owned businesses or businesses with boards composed of not less than 50% minority members.

Section 2 amends subsection (29) of section 3 of chapter 23G of MGL, which concerns the power of MassDevelopment to make and administer loans, provide credit enhancement, and to sell or purchase participations in said loans for other various purposes, by adding in a provision that requires that at least 30% of recipients of this funding be minority-owned businesses or businesses with boards composed of not less than 50% minority members.

Section 3 amends subsection (22) of section 4 of chapter 23I of MGL, which concerns the power of the Massachusetts Life Sciences Center to disburse, appropriate, grant, loan or allocate funds for the investment in life sciences, emerging technologies, stem cell research, biotechnology, nanotechnology, bio-defense and advanced sciences, by requiring that at least 30% of the recipients of this funding be minority-owned businesses or businesses with boards composed of not less than 50% minority members.

Section 4 amends subsection (t) of section 3 of chapter 40W of MGL, which concerns the power of the Massachusetts Growth Capital Corporation, which has merged with MassDevelopment, to make loans or grants, or to finance or invest in certified community development corporations or other community based nonprofit entities for the purpose of providing financing to businesses, by adding a provision requiring that at least 30% of the recipients of this funding be minority-owned businesses or businesses with boards composed of not less than 50% minority members.

**Notes:**

Section 4 of this bill references the Massachusetts Growth Capital Corporation, which merged with MassDevelopment in Chapter 238 of the Acts of 2024, the Massachusetts Leads Act.