



## **An Act to Promote Downtown Vitality (H.228/S.130)**

**Goal: Strengthen District Management in Small Business Areas**

**Lead Sponsors: Rep. Cabral and Sen. Cronin**

**Contact: André Leroux ([aleroux@massinc.org](mailto:aleroux@massinc.org)), Ben Forman ([bforman@massinc.org](mailto:bforman@massinc.org)), or Emily Ruddock ([eruddock@mass-creative.org](mailto:eruddock@mass-creative.org))**

### **Summary:**

Small businesses districts in communities across the commonwealth need vibrant, walkable areas to attract enough foot traffic to succeed in today's challenging commercial environment. Online retail in particular has siphoned dollars away from local economies, contributing to economic and cultural displacement. *An Act to promote downtown vitality* (H.228/S.130) seeks to reinvest 5% of remote retailer tax revenue back into our Main Streets and downtowns, helping to level the playing field by promoting district management and creating strong local places.

Massachusetts has the foundation for success, with historic areas, urban squares, town centers, and rural villages. Yet we have lacked the governance and financing structures to manage these places adequately for 15-hour districts, 7 days a week. That is changing. A burgeoning network of Business Improvement Districts (BIDs) has emerged over the last five years, and dozens of Cultural Districts have been established. Parking Benefit Districts represent a new management tool, and innovative public-private-civic partnerships have arisen.

However, the state lacks a funding mechanism to scale up this local innovation and create a system of management capacity on the sublocal or district level. *An Act to promote downtown vitality* would transform our state into a national leader and ensure that our communities, large and small, have a thriving, beating heart. We can do this in a way that values and strengthens our state's diversity, builds entrepreneurship among immigrants and communities of color, and enhances our unique cultural business districts.

### **This Legislation is Supported by:**

- **MassCreative**
- **MassINC**
- **MA Association of Business Improvement Districts**

## **Section-by-Section Description: District Management Provisions of H.228**

### **Section 1**

- Establishes a Downtown Vitality Fund managed by EOHEd
- Funded with 5% of remote retailers (online) sales tax revenue
- The Fund will disperse grants to establish, sustain, or provide technical assistance to district management entities in commercial areas, which could include:
  - o Business Improvement Districts
  - o Cultural Districts
  - o Parking Benefit Districts
  - o Other district management entities approved by the agency
- Grants must be matched by local funding sources (guidelines to be developed by EOHEd)
- Priority districts include those:
  - o Located in Gateway Cities and other low-income areas
  - o Expanding entrepreneurship opportunities among underrepresented communities
  - o Strengthening cultural identity and preventing cultural displacement
- Establishes a Downtown Vitality Advisory Board composed of 15 members who will advise EOHEd on the fund and review its activities. Proposed members include:
  - o MassDevelopment
  - o Mass Cultural Council
  - o Business Improvement District representatives
  - o Cultural District representatives
  - o Municipalities (Gateway City and non-Gateway City)
  - o Underrepresented communities
- The Fund must provide an annual report of activity to the House and Senate

### **Sections 2 & 3**

- Expands the permissible uses of funds raised through Parking Benefit Districts to include district management activities and operations.