

AN ACT RELATIVE TO CREATING COMMUNITY BENEFIT DISTRICTS (CBDs) H.144 & S.1070

Sponsored Rep. Brendan Crighton and Sen. Eileen Donoghue

PURPOSE OF THIS BILL

This legislation would provide cities and towns with the opportunity to create Community Benefit Districts (CBD), each of which is a public/private/nonprofit partnership that provides supplemental services and management of important areas including downtowns, town centers, “Main Streets,” villages, or urban squares.

A CBD provides a mechanism for sustaining a district’s revitalization efforts and allows communities wide flexibility over its purposes and activities while maintaining strong local independence and accountability.

WHAT THIS LEGISLATION DOES

- Defines a “Community Benefit District” as a geographically defined area in a city or town in which an assessment funding tool is dedicated to improvements in that area. These districts would be enabled by this bill and established by local-option, and must be managed by a non-profit.
- Allows all members of a district to participate, at varying levels, to create a district that represents and supports all the uses in the district, including government (state & federal), commercial, residential and non-profits.
- Allows formation of a district with signatures from property owners representing at least 40% of the assessed property value of the district, with a clause that prevents any single large property owner from representing more than 20% of the total. This same formula can be used to dissolve the CBD. District formation is contingent upon a vote of the local legislative body.
- Establishes a nonprofit board of directors, composed of at least 51% of property owners and a range of stakeholders from the community that will manage the District in accordance with state laws and regulations.

DIFFERENCE BETWEEN CBD AND BID

- CBDs differ from Business Improvement Districts (BID) in that they are easier to create and dissolve, emphasize mixed-use districts, and require the participation of all property owners including those which are public or tax-exempt. CBDs do not require renewal, and involve the creation of a nonprofit board to guide and implement the Management Plan, which is the locally defined revitalization strategy. This bill does not replace the existing BID statute and represents another option for communities to pursue.

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