**BIDs and CBDs: A Comparison**

Take a side by side look at the current Business Improvement District (BID) statute and the proposed Community Benefit District (CBD) bill

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|  | **Business Improvement Districts (current)** | **Community Benefit Districts (HB 144)** |
| **Definition** | Requires district to be contiguous and three-fourths of the area to be zoned or used for commercial, industrial, retail, or mixed uses | No requirement other than “generally a contiguous geographic area with clearly defined boundaries” |
| **Legal Status of Management Association** | Generally BIDs in Massachusetts have been constituted as 501(c)6 organizations (which promote the business conditions of their members, like Chambers of Commerce or bowling leagues), although there is no requirement to do so | Required to be a 501(c)3, which can claim charitable donations and receive grant funding |
| **Board of Directors** | A locally designated board of property owners or their designees | A locally designated non-profit board including property owners or their designees, as well as other local stakeholders |
| **Management Plan** | Required to be updated every 3 years, mailed or delivered to every property owner, and voted upon by a majority of property owners to take effect | Required to be updated every 2 years but can be distributed by e-mail and takes effect without a vote of property owners |
| **Management Entity** | This is the entity designated to receive funds and carry out the work. If a management entity is used, it is required to furnish a surety bond | “Management entity” language is eliminated and replaced with “Board of Directors” |
| **Electors** | Property owners or their designees, who must be on file with the clerk and who must vote on any changes to the plan | “Electors” language is eliminated and replaced with “petition-signers” for clarity |
| **Rights and Powers** | A wide range of activities are permissible to allow for local flexibility | Includes everything in the BID statute, plus: “owning and managing parks, public spaces and community facilities; engaging in placemaking, programming, and event management within the district; soliciting donations, sponsorships, and grants; operating transit services” |
| **Petition Requirements** | The number of signatories to the petition must surpass two thresholds:1. At least 60% of all parcel owners in the district in absolute numbers; and
2. Property owners representing at least 50% of total assessed valuation in the district
 | The petition must have signatories representing at least 40% of total assessments paid into the district. However, no single property owner may represent more than 20% of the total value for this determination |
| **Local Approval** | Local municipal governing body has full discretion to approve or deny the qualifying petition | Local municipal governing body has full discretion to approve or deny the qualifying petition |
| **Renewal of District** | Must be renewed every 5 years by a majority vote of property owners present at a renewal meeting | Permanent until dissolved (see “Dissolution,” below) |
| **Fee exemptions and waivers** | Owner-occupied housing, agricultural land, and non-profit parcels may all be exempted from the property assessment | All property owners, whether public, private, or non-profit, must participate. A waiver of financial hardship may be applied for on an annual basis |
| **Fee Structure** | Flexible; may base the fee formula on a number of different methods | Flexible; may base the fee formula on a number of different methods |
| **Audit** | Requires an annual audit by a certified public accountant | Requires the district management association to conform to the nonprofit reporting requirements of Mass General Law |
| **Amendment** | Any changes to the district improvement plan requires the concurrence of at least 51% of property owners in both absolute numbers and in terms of valuation. Any change that: affects more than 25% of the total budget, incurs indebtedness, or changes boundaries, fee structure, or management entity, must be approved or disapproved by the local municipal governing body after a public hearing | The Board of Directors may revise its management plan as needed. In the case of expanding or reducing the boundaries of the district, signatures representing at least 40% of the valuation is required  |
| **Dissolution** | Requires a petition with signatures representing at least 51% of the property owners in absolute numbers, or 51% of the assessed valuation. Within 30 days, the local governing body must hold a hearing and may declare the district dissolved | Requires a petition with signatures representing at least 40% of the assessed valuation. Within 30 days, the local governing body must hold a hearing and may declare the district dissolved, therefore consistent with its intention of being reasonably easy to set up and reasonably easy to take apart.  |