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S.350

Introduced by Committee on Economic Development, Housing and General
Affairs

Date:

Subject: Commerce and trade; economic development; housing

Statement of purpose of bill as introduced: This bill proposes to provide
funding and parameters to award emergency economic recovery grants from
the Coronavirus Relief Fund.

An act relating to creating emergency economic recovery grants

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. DEFINITIONS

As used in this act:

(1) “CARES Act” means the Coronavirus Aid, Relief, and Economic
Security Act, Pub. L. No. 116–136, as amended, and any guidance and
regulations issued under that act.

(2) “Eligible business” means:

(A) The business is a nonpublic, private organization that:

(i) is domiciled or has its primary place of business in Vermont;

and

(ii) has one or more employees in Vermont.

1 (B) The business is:

2 (i) organized and operated on a for-profit basis, including a sole
3 proprietor, partnership, limited liability company, business corporation,
4 cooperative, or mutual benefit enterprise; or

5 (ii) organized and operated on a nonprofit or low-profit basis,
6 including a mutual benefit corporation, public benefit corporation, and a low-
7 profit limited liability company.

8 (C) The business was in operation on or before February 15, 2020.

9 (D) The business:

10 (i) is open for business at the time of application; or

11 (ii) is closed for business due to the COVID-19 public health
12 emergency but has a good-faith plan for reopening.

13 (3) “Eligible use” means a use of grant funds permitted under the
14 CARES Act to assist a business in addressing the costs of business interruption
15 due to the COVID-19 public health emergency.

16 Sec. 2. CORONAVIRUS EMERGENCY ECONOMIC RECOVERY

17 GRANTS; DEPARTMENT OF TAXES

18 (a) Authorization; appropriation. Of the funds available in the Coronavirus
19 Relief Fund, the amount of \$50,000,000.00 is appropriated to the Department
20 of Taxes to provide grants to eligible businesses pursuant to this section, in
21 coordination with the Agency of Commerce and Community Development.

1 (b) Requirements for grant applicants. An eligible business may apply for
2 a grant for an eligible use if:

3 (1) The business is:

4 (A) a vendor registered to collect sales and use tax pursuant to 32
5 V.S.A. chapter 233; or

6 (B) is an operator registered to collect meals and rooms tax pursuant
7 to 32 V.S.A. chapter 225, but this does not include operators who are only
8 operators because they conduct business as a booking agent under 32 V.S.A.
9 chapter 225.

10 (2) The business files its sales and use or meals and room taxes on a
11 monthly or quarterly basis.

12 (3) The business experienced a 75 percent or greater reduction in taxable
13 sales in any one-month period from March 1, 2020 to September 1, 2020 as
14 compared to the same one-month period from March 1, 2019 to September 1,
15 2019.

16 (c) Grant amount; terms.

17 (1) The Department shall establish a formula for determining the
18 amount of grant awards, which shall include a maximum grant amount.

19 (2) The Department shall consider whether and by how much grant
20 awards should be adjusted based on whether an applicant has received
21 financial assistance from other sources.

1 Sec. 3. CORONAVIRUS EMERGENCY ECONOMIC RECOVERY
2 GRANTS; AGENCY OF COMMERCE AND COMMUNITY
3 DEVELOPMENT

4 (a) Authorization; appropriation.

5 (1) Of the funds available in the Coronavirus Relief Fund, the amount of
6 \$20,000,000.00 is appropriated to the Agency of Commerce and Community
7 Development to provide grants to eligible businesses pursuant to this section in
8 coordination with the Department of Taxes.

9 (2) The Agency shall identify local, regional, and State economic
10 development organizations with whom it may partner to most efficiently
11 distribute grants under the Program, which may include the Vermont
12 Economic Development Authority, regional development corporations,
13 community action agencies, and private institutions.

14 (b) Requirements for grant applicants. An eligible business may apply for
15 a grant for an eligible use if the business experienced a 75 percent or greater
16 reduction in revenue in any one-month period from March 1, 2020 to
17 September 1, 2020 as compared to the same one-month period from March 1,
18 2019 to September 1, 2019.

19 (c) Grant amount; terms.

20 (1) The Agency shall establish a formula for determining the amount of
21 grant awards, which shall include a maximum grant amount.

1 (2) The Agency shall consider whether and by how much grant awards
2 should be adjusted based on whether an applicant has received financial
3 assistance from other sources.

4 Sec. 4. GUIDELINES; REPORTING

5 (a) Guidelines. Not later than ten days after the effective date of this act,
6 the Department of Taxes and the Agency of Commerce and Community
7 Development shall publish guidelines governing the implementation of their
8 respective programs, which at minimum shall:

9 (1) establish application and award procedures;

10 (2) establish standards to determine whether a business has its primary
11 place of business in Vermont;

12 (3) establish standards for eligible uses of grant funds;

13 (4) establish standards governing the amount of grant awards:

14 (A) to ensure the equitable distribution of funds among regions and
15 among business types, sizes, and sectors; and

16 (B) to ensure that grants are based on need and will have a
17 meaningful impact on the business's continued viability;

18 (5) establish procedures to ensure that grant awards comply with the
19 requirements of the CARES Act and that the State maintains adequate records
20 to demonstrate compliance with the Act;

1 (6) establish procedures to prevent, detect, and mitigate fraud, waste,
2 error, and abuse; and

3 (7) establish procedures to ensure that grant applicants are in
4 compliance with State and federal employment and labor laws.

5 (b) Reporting. The Agency and Department shall:

6 (1) provide weekly updates and information concerning grant
7 guidelines, awards, and implementation to the committees of jurisdiction of the
8 General Assembly; and

9 (2) submit a report to the General Assembly on or before August 15,
10 2020 detailing the implementation of this section, including specific
11 information concerning the amount and identity of grant recipients, which shall
12 be publicly available.

13 Sec. 5. EFFECTIVE DATE

14 This act shall take effect on passage.