

1 Introduced by Senate Committee on Economic Development and Housing and

2 General Affairs

3 Referred to Committee on

4 Date:

5 Subject: Commerce and trade; economic development; housing

6 Statement of purpose of bill as introduced: This bill proposes to provide

7 funding and parameters to award emergency economic recovery grants from

8 the Coronavirus Relief Fund.

9 An act relating to deploying Coronavirus Relief Fund grants for housing
10 and economic development

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

12 Sec. 1. DEFINITIONS

13 As used in this act:

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

17 (2) “Eligible business” means:

18 (A) The business is a non-public, private organization that:

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

2 and

3 (ii) has one or more employees in Vermont.

4 (B) The business is:

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

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

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

12 (D) The business:

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

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

16 (3) “Eligible use” means a use of grant funds permitted under the
17 CARES Act to assist a business in addressing the costs of business interruption
18 due to the COVID-19 public health emergency, including:

19 (i) working capital;

20 (ii) payment of fixed costs;

21 (iii) accounts payable;

- 1 ~~(iv) payroll;~~
- 2 ~~(v) other bills that were ordinarily paid from ongoing operations~~
- 3 ~~prior to the COVID-19 public health emergency; and~~
- 4 ~~(vi) costs incurred to changes business strategy, delivery method,~~
- 5 ~~or other operational changes in response to the COVID-19 public health~~
- 6 ~~emergency;~~
- 7 ~~(B) “Eligible use” does not include:~~
- 8 ~~(i) business expansion that is not in response to the COVID-19~~
- 9 ~~public health emergency;~~
- 10 ~~(ii) physical repairs;~~
- 11 ~~(iii) acquisition of real property;~~
- 12 ~~(iv) construction of renewable energy projects;~~
- 13 ~~(v) payment of bonuses or dividends;~~
- 14 ~~(vi) debt consolidation or refinancing of long-term debt;~~
- 15 ~~(vii) payments for taxes, public utilities, or other government~~
- 16 ~~services or fees that qualify as revenue replacement to the government~~
- 17 ~~recipient under the CARES Act; and~~
- 18 ~~(viii) payments for expenses for which the business has or will~~
- 19 ~~receive reimbursement from another federal source, State source, or insurance.~~

20 Sec. 2. CORONAVIRUS EMERGENCY ECONOMIC RECOVERY

21 GRANTS; DEPARTMENT OF TAXES

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

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

7 (1) The business is:

8 (A) a vendor registered to collect sales and use tax pursuant to Title
9 32, Chapter 233; or

10 (B) is an operator registered to collect meals and rooms tax pursuant
11 to Title 32, Chapter 225, but this does not include operators who are only
12 operators because they conduct business as a booking agent under Title 32,
13 Chapter 225.

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

16 (3) The business experienced a 75 percent or greater reduction in taxable
17 sales in any one-month period from March 1, 2020 to September 1, 2020 as
18 compared to the same one month period from March 1, 2019 to September 1,
19 2019.

20 (c) Grant amount; terms.

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

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

6 Sec. 3. CORONAVIRUS EMERGENCY ECONOMIC RECOVERY
7 GRANTS; AGENCY OF COMMERCE AND COMMUNITY
8 DEVELOPMENT

9 (a) Authorization; appropriation.

10 (1) Of the funds available in the Coronavirus Relief Fund, the amount of
11 \$20,000,000 is appropriated to the Agency of Commerce and Community
12 Development to provide grants to eligible businesses pursuant to this section,
13 in coordination with the Department of Taxes.

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

19 (b) Requirements for grant applicants. An eligible business may apply for
20 a grant for an eligible use if the business experienced a 75 percent or greater
21 reduction in revenue in any one-month period from March 1, 2020 to

1 September 1, 2020 as compared to the same one month period from March 1,
2 2019 to September 1, 2019.

3 (c) Grant amount; terms.

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

6 (2) The Agency shall consider whether and by how much grant awards
7 should be adjusted based on whether an applicant has received financial
8 assistance from another source.

9 Sec. 4. GUIDELINES; REPORTING

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

14 (1) establish application and award procedures;

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

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

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

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

1 (B) to ensure that grants are based on need and will have a
2 meaningful impact on the business’s continued viability;

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

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

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

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

11 (1) provide weekly updates and information concerning grant
12 guidelines, awards, and implementation to the committees of jurisdiction of the
13 General Assembly; and

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

18 Sec. 5. EFFECTIVE DATE

19 This act shall take effect on passage.