

1 Sec. X. FOREST ECONOMY STABILIZATION GRANT PROGRAM;

2 CORONAVIRUS RELIEF FUND; APPROPRIATION

3 (a) The sum of \$5,000,000.00 is appropriated from the Coronavirus Relief
4 Fund to the Agency of Natural Resources in fiscal year 2021 for the purpose of
5 establishing the Forest Economy Stabilization Grant Program as set forth in
6 this section. The Agency of Natural Resources shall enter into memorandum
7 of understanding with the Vermont Economic Development Authority for the
8 implementation and administration of the Forest Economy Stabilization Grant
9 Program.

10 (b) The General Assembly determines that the expenditure of monies from
11 the Coronavirus Relief Fund as set forth in this section is necessary to stabilize
12 forest product businesses based on their COVID-19-related costs and the fiscal
13 impacts of disruptions to their business operations as a result of COVID-19.
14 Low-grade wood constitutes nearly three quarters of the annual timber harvest
15 in Vermont, and low grade wood is a key component to paper making.
16 However, the COVID-19 public health emergency has reduced market demand
17 for paper in offices, schools, institutions, advertising, and many other outlets.
18 As a result, millions of tons of unsold paper are stockpiled in warehouses at
19 paper mills, thereby freezing the supply chain for paper making and other
20 associated products harvested and processed from Vermont forests. In
21 addition, low-grade pulpwood chips that would have been used to make paper

1 are being diverted to wood-fired electric plants, thereby displacing the use of
2 whole-tree chips normally supplied by logging contractors delivering whole-
3 tree chips. As a result of these market and supply chain disruptions caused by
4 the COVID-19 public health emergency, forest product businesses are
5 suffering significant business interruptions that restrict the ability of logging
6 contractors to harvest, limit timber sales, diminish landowner return, reduce the
7 supply of forest products to processors that have viable markets, and
8 significantly reduce the need for services from haulers, foresters, and other
9 forest products businesses.

10 (c) As used in this section:

11 (1) “Economic harm” means a forest product business’s expenses or lost
12 revenues, or both, related to the 2020 COVID-19 public health emergency.

13 (2) “Forest products business” means a Vermont enterprise that is
14 primarily engaged in managing, harvesting, trucking, processing,
15 manufacturing, crafting, or distributing forest or wood products derived from
16 Vermont forests. “Forest products business” includes consulting forestry
17 services and secondary manufacturer if wood products.

18 (d)(1) According to the terms of a memorandum of understanding with the
19 Agency of Natural Resources, the Vermont Economic Development Authority
20 shall establish the Forest Economy Enterprises Stabilization Grant Program to

1 disburse the funds appropriated in this section to eligible forest product
2 businesses that have suffered economic harm.

3 (2) A forest product business shall qualify for assistance under the
4 Program if the business:

5 (A) was operating in the State on or before February 1, 2020; and

6 (B) accurately demonstrate to the Vermont Economic Development
7 Authority economic harm that occurred or accrued on or after March 1, 2020
8 and before December 1, 2020 by providing evidence of costs or lost revenues
9 related to business disruption caused by the COVID-19 public health
10 emergency.

11 (3) Based on federal law and guidance, the Vermont Economic
12 Development Authority, in consultation with the Department of Forests, Parks,
13 and Recreation, shall establish guidelines identifying the specific types of costs
14 for which grant recipients may use grant funds, provided that essential
15 operating expenses to respond to the COVID-19 public health emergency and
16 maintain operation of a forest product business shall be eligible uses of grants
17 under this section.

18 (4) Economic harm is not compensable under this section if the same
19 economic harm has been or will be covered by insurance or by another State or
20 federal grant, or other compensation; provided, however, that this restriction
21 does not apply to loans or advance payments for which repayment is expected.

1 (e)(1) The Vermont Economic Development Authority, in consultation
2 with the Department of Forests, Parks, and Recreation, shall create an
3 application form that forest product businesses shall utilize when applying for
4 assistance. Applicants shall certify that all information they provide is truthful
5 and accurate to the best of their knowledge, information, and belief.

6 (2) The Vermont Economic Development Authority shall, based on the
7 amount of economic harm incurred by the forest product business on the date
8 the application is received, provide up to the maximum award permitted under
9 this section. Applications shall be processed in the order received, but an
10 application shall not be ready for evaluation until the Vermont Economic
11 Development Authority determines that the application is administratively
12 complete and includes all required proof of economic harm.

13 (3) Until all funds appropriated to the Forest Economy Enterprises
14 Stabilization Grant Program are awarded, the Vermont Economic
15 Development Authority shall award assistance as grants to reimburse qualified
16 forest product businesses for demonstrated economic harm up to the maximum
17 amount of \$100,000.00 for each eligible forest product business.

18 (4) Grants to be awarded pursuant to this section shall be disbursed as a
19 single payment. All funds shall be disbursed, and cover costs incurred, on or
20 before December 30, 2020 as required by the CARES Act.

1 (f)(1) The Vermont Economic Development Authority shall issue grant
2 payments under this section on a first-come, first-served basis until all funds
3 are expended or December 20, 2020, whichever is sooner.

4 (2) Any application documents of a forest products business containing
5 federal identification numbers and sales amounts are subject to the
6 confidentiality provisions of 32 V.S.A. § 3102 and are return information
7 under that section.

8 (3) Data submitted to the Secretary by a forest product business under
9 this section to demonstrate economic harm shall be a trade secret exempt from
10 public inspection and copying under 1 V.S.A. § 317(c)(9), provided that the
11 Secretary may use and disclose submitted information in summary or
12 aggregated form that does not directly or indirectly identify an individual forest
13 product business.

14 (g) On or before July 31, 2020, the Agency of Natural Resources shall
15 provide information to the House Committees on Appropriations, on
16 Agriculture and Forestry, and on Natural Resources, Fish and Wildlife and the
17 Senate Committees on Appropriations, on Agriculture, and on Natural
18 Resources and Energy regarding the Vermont Economic Development
19 Authority's distribution of Forest Economy Enterprises Stabilization Grant
20 Program grant funds to date, including the types of enterprises awarded funds,
21 the aggregate amounts awarded by enterprise, and the aggregate amounts

1 awarded by geographic region of the State. The Vermont Economic
2 Development Authority shall provide an updated version of the report required
3 under this section to the General Assembly on or before September 1, 2020
4 and one or before January 1, 2021.
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