

* * * Definitions * * *

Sec. A.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) “Governor’s Order” means Executive Order 01-20 and any addenda and directives issued under that order.

(3) “Eligible business” means:

(A) The business is a non-public, private organization that has one or more employees in Vermont.

(B) The business is:

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

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

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

(D) The business:

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

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

3 (4)(A) “Eligible use” means a use of loan or grant funds permitted under
4 the CARES Act to assist a business in addressing the costs of business
5 interruption during the COVID-19 public health emergency, including:

6 (i) working capital;

7 (ii) payment of fixed costs;

8 (iii) accounts payable;

9 (iv) payroll;

10 (v) other bills that were ordinarily paid from ongoing operations
11 prior to the COVID-19 public health emergency; and

12 (vi) costs incurred to changes business strategy, delivery method,
13 or other operational changes in response to the COVID-19 public health
14 emergency.

15 (B) “Eligible use” does not include:

16 (i) business expansion that is not in response to the COVID-19
17 public health emergency;

18 (ii) physical repairs;

19 (iii) acquisition of real property;

20 (iv) construction of renewable energy projects;

21 (v) payment of bonuses or dividends;

- 1 (vi) debt consolidation or refinancing of long-term debt; and
2 (vii) payments for taxes, public utilities, or other government
3 services or fees that qualify as revenue replacement to the government
4 recipient under the CARES Act.

5 Sec. B.1. VERMONT ECONOMIC INJURY DISASTER LOAN AND
6 GRANT PROGRAM

7 (a) Authorization; purpose. The Vermont Economic Development
8 Authority shall establish a Vermont Economic Injury Disaster Loan and Grant
9 Program to support the reopening and restoration to full operation of
10 businesses harmed economically by the COVID-19 pandemic.

11 (b) Requirements for loan and grant applicants.

12 (1) An eligible business may apply for a loan, a grant, or both for an
13 eligible use if the business:

14 (A) has six or more employees; and

15 (B) cannot be adequately served by the Restart Vermont Emergency
16 Action Grants Program within the Department of Taxes or the Vermont Restart
17 Loan and Grant Program within the Agency of Commerce and Community
18 Development.

19 (c) Loan amount; terms.

20 (1)(A) The maximum amount the Authority may loan to an eligible
21 business is \$2,000,000.

1 ~~(B) The Authority shall require collateral and a personal guaranty for~~
2 ~~a loan that exceeds \$50,000.~~

3 ~~(2) The Authority shall not require payment for the first 12 months.~~

4 ~~(3)(A) The Authority shall charge an interest rate of zero percent in~~
5 ~~months one through 12 and an interest rate of two percent in months 13~~
6 ~~through 24.~~

7 ~~(B) After 24 months the Authority shall convert the loan to a variable~~
8 ~~interest rate based on its base interest rate for a loan term of not more than 10~~
9 ~~years with an amortization period of not more than 20 years.~~

10 ~~(d) Grant amount; terms.~~

11 ~~(1) The Authority may award a grant to an eligible business that:~~

12 ~~(A) was required to close its physical operations under the~~
13 ~~Governor's order; or~~

14 ~~(B) experienced a 50 percent or greater reduction in monthly revenue~~
15 ~~in any one month period between March 1, 2020 and September 1, 2020 as~~
16 ~~compared to the same one month period between March 1, 2019 and~~
17 ~~September 1, 2019.~~

18 ~~(2) The amount of a grant shall equal the lesser of:~~

19 ~~(A) \$62,500; or~~

20 ~~(B) 2.5 percent of the business's average annual gross revenue from~~
21 ~~calendar years 2017, 2018 and 2019.~~

1 ~~(3) For purposes of calculating a business’s revenue pursuant to this~~
2 ~~subsection, if the business was not open in any month during 2017, 2018, and~~
3 ~~2019 other than for normal seasonal or holiday closures, then the revenue~~
4 ~~equals the average monthly revenue for the months the business was open, and~~
5 ~~then calculated on an annualized basis.~~

6 ~~(e) Program terms and limitations.~~

7 ~~(1) A business shall not use loan or grant funds to cover expenditures for~~
8 ~~which it has or will receive reimbursement from another source.~~

9 ~~(2) The Authority shall award loan and grant funds on a first come,~~
10 ~~first served basis until funds are exhausted or December 30, 2020, whichever~~
11 ~~is sooner.~~

12 ~~(3) The Attorney General is authorized to recover funds awarded due to~~
13 ~~fraud, error, or otherwise in violation of this section.~~

14 ~~(4) Loan and grant funds shall not be offset to any state or federal debt~~
15 ~~except as otherwise required by federal law.~~

16 ~~(5) The name of the recipient and the amount of a loan or grant are~~
17 ~~public records subject to inspection.~~

18 ~~(6) Any application documents containing federal identification~~
19 ~~numbers and sales amounts are subject to the confidentiality provisions of 32~~
20 ~~V.S.A. §3102 and are return information under that section.~~

21 Sec. B.2. LOAN INTEREST SUBSIDY PROGRAM

1 (a) Authorization; purpose. The Vermont Economic Development
2 Authority shall establish a Loan Interest Subsidy Program to provide debt
3 relief to borrowers on outstanding loans issued by the Authority and the
4 Vermont Agricultural Credit Corporation.

5 (b) Program terms and limitations.

6 (1) The Authority shall use the Loan Interest Subsidy Program to
7 provide ongoing debt relief to borrowers by fully subsidizing six months of
8 interest expense for all existing loans not in a workout status, including
9 bankruptcy, liquidation, foreclosure, or restructuring.

10 (2) For loans currently in deferment, the Authority shall make the
11 interest subsidy available beginning with the next payment due following the
12 end of the deferment period.

13 (3) The Loan Interest Subsidy Program is not available to investor-
14 owned loans for solar energy projects.

15 (4) The Authority shall require real estate investment loan borrowers,
16 including for loans issued under 10 V.S.A. chapter 12, subchapter 3 and multi-
17 tenant properties, to pass on the interest subsidy to their tenants.

18 Sec. B.3. VERMONT ECONOMIC DEVELOPMENT AUTHORITY;

19 APPROPRIATIONS

1 Of the CARES Act funds made available to the State of Vermont the
2 amount of \$80,000,000 is appropriated to the Vermont Economic Development
3 Authority as follows:

4 (1) \$74,200,000 for the Vermont Economic Injury Disaster Loan
5 Program created in Sec. B.1 of this act:

6 (A) \$30 million for grants;

7 (B) \$42.4 million for loans and funding loan loss reserves, with this
8 allocation seeding a perpetual revolving loan fund through receipt of loan
9 payments creating future lending capacity for VEDA that will not be restricted
10 by the terms of the VEIDL Program; and

11 (C) \$1.8 million for payment of pay processing fees and
12 reimbursement of program administration and out-of-pocket expenses incurred
13 by the Authority.

14 (2) \$5,800,000 for the Loan Interest Subsidy Program created in Sec.
15 B.2 of this act.

16 * * * Department of Taxes * * *

17 Sec. C.1. RESTART VERMONT EMERGENCY ACTION GRANT
18 PROGRAM

19 (a) Authorization; purpose. The Department of Taxes shall establish a
20 Restart Vermont Emergency Action Grant Program to provide direct grants to
21 eligible business.

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 domiciled in Vermont.

4 (2) The business is:

5 (A) a vendor registered to collect sales and use tax pursuant to Title
6 32, Chapter 233; or

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

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

13 (4) The amount of the business’s annual sales that is subject to sales and
14 use, and to rooms and meals taxes, is not more than \$2,500,000, as calculated
15 pursuant to subdivision (c)(3) of this section.

16 (5) The business:

17 (A) provides all documentation and information required by the
18 Commissioner of Taxes in order to determine eligibility and calculate the
19 correct grant award; and

20 (B) has filed all required tax returns for tax periods until May 31,
21 2020; and

1 (C) is in good standing with respect to taxes as defined by 32 V.S.A.
2 §3113(g), except that an applicant is eligible even if the applicant has unpaid
3 sales and use or meals and rooms tax due for the periods including February
4 and March, 2020.

5 (c) Grant amount; terms.

6 (1) The Authority may award a grant to an eligible business that:

7 (A) was required to close its physical operations under the
8 Governor’s order; or

9 (B) experienced a 50 percent or greater reduction in monthly revenue
10 in any one-month period between March 1, 2020 and August 31, 2020 as
11 compared to the same one month period between March 1, 2019 and August
12 31, 2019.

13 (2) The amount of a grant shall equal the lesser of:

14 (A) \$62,500; or

15 (B) 2.5 percent of the business’s average annual sales subject to sales
16 and use, and to rooms and meals taxes, from calendar years 2017, 2018 and
17 2019.

18 (3) For purposes of calculating a business’s sales pursuant to this
19 subsection, if the business was not open in any month during 2017, 2018, and
20 2019 other than for normal seasonal or holiday closures, then the sales equal

1 the average monthly sales for the months the business was open, and then
2 calculated on an annualized basis.

3 (e) Program terms and limitations.

4 (1) A business shall not use loan or grant funds to cover expenditures for
5 which it has or will receive reimbursement from another source.

6 (2) The Department shall award grant funds on a first-come, first-
7 served basis until funds are exhausted or December 30, 2020, whichever is
8 sooner.

9 (3) The Department may exercise its authority pursuant to 32 V.S.A.
10 chapter 151 to recover funds awarded due to fraud, error, or otherwise in
11 violation of this section.

12 (4) Loan and grant funds shall not be offset to any state or federal debt
13 except as otherwise required by federal law.

14 (5) The name of the recipient and the amount of a grant are public
15 records subject to inspection.

16 (6) Any application documents containing federal identification
17 numbers and sales amounts are subject to the confidentiality provisions of 32
18 V.S.A. §3102 and are return information under that section.

19 Sec. C.2. DEPARTMENT OF TAXES; APPROPRIATION

20 Of the CARES Act funds made available to the State of Vermont the
21 amount of \$100,000,000 is appropriated to the Department of Taxes to

1 administer the Restart Vermont Emergency Action Grant Program pursuant to
2 Sec. C.1 of this act.

3 * * * Agency of Commerce and Community Development * * *

4 Sec. D.1. RESTART VERMONT LOAN AND GRANT PROGRAM

5 (a) Authorization; purpose. The Agency of Commerce and Community
6 Development, in partnership with participating nonprofit lenders, shall
7 establish a Restart Vermont Loan and Grant Program to provide loans and
8 grants to eligible businesses.

9 (b) Requirements for loan and grant applicants.

10 (1) An eligible business may apply to a participating lender for a loan, a
11 grant, or both for an eligible use if the business:

12 (A) has five or fewer employees;

13 (B) has gross annual revenue of not more than \$1,000,000, as
14 calculated pursuant to subdivision (d)(3) of this section; and

15 (C) cannot be adequately served by the Restart Vermont Emergency
16 Action Grants Program within the Department of Taxes.

17 (c) Loan amount; terms.

18 (1) Participating lenders shall issue loans under the Program using
19 existing capital that is available from the lender and from other sources,
20 including nonprofit and municipal funds.

1 (2) The Vermont Community Loan Fund shall use funds appropriated to
2 it in this act to provide ~~loan guarantees and~~ interest rate subsidies ~~and matching~~
3 funds for loans issued by participating lenders.

4 (3)(A) The maximum amount of a loan to an eligible business for an
5 eligible use is \$20,000.

6 (B) The minimum term of a loan is five years.

7 (C) A loan shall have an effective interest rate of zero percent.

8 (D) At least one borrower or responsible party shall have a credit
9 score of not less than 620.

10 (3) A participating lender shall use an application form issued or
11 approved by the Vermont Community Loan Fund.

12 (d) Grant amount; terms.

13 (1) A participating lender may award a grant to an eligible business that:

14 (A) was required to close its physical operations under the
15 Governor's order; or

16 (B) experienced a 50 percent or greater reduction in monthly revenue
17 in any one-month period between March 1, 2020 and September 1, 2020 as
18 compared to the same one month period between March 1, 2019 and
19 September 1, 2019.

20 (2) The amount of a grant shall equal the lesser of:

21 (A) \$62,500; or

1 (B) 2.5 percent of the business’s average annual gross revenue from
2 calendar years 2017, 2018 and 2019.

3 (3) For purposes of calculating a business’s revenue pursuant to this
4 subsection, if the business was not open in any month during 2017, 2018, and
5 2019 other than for normal seasonal or holiday closures, then the revenue
6 equals the average monthly revenue for the months the business was open, and
7 then calculated on an annualized basis.

8 (e) Program terms and limitations.

9 (1) A business shall not use loan or grant funds to cover expenditures for
10 which it has or will receive reimbursement from another source.

11 (2) A participating lender shall award loan and grant funds on a first-
12 come, first-served basis until funds are exhausted or December 30, 2020,
13 whichever is sooner.

14 (3) The Attorney General is authorized to recover funds awarded due to
15 fraud, error, or otherwise in violation of this section.

16 (4) Loan and grant funds shall not be offset to any state or federal debt
17 except as otherwise required by federal law.

18 (5) The name of the recipient and the amount of a loan or grant are
19 public records subject to inspection.

1 (6) Any application documents containing federal identification
2 numbers and sales amounts are subject to the confidentiality provisions of 32
3 V.S.A. §3102 and are return information under that section.

4 (7) A participating lender may use a portion of its allocated funds to
5 subsidize not more than 3 percent of the interest on a loan.

6 (8) A participating lenders may use up not more than 2.5 percent of its
7 allocated funds to pay for administrative costs associated with participating in
8 the Program.

9 Sec. D.2. RESTART VERMONT TECHNICAL SUPPORT NETWORK

10 (a) Authorization; purpose.

11 (1) The Agency of Commerce and Community Development shall
12 establish a Restart Vermont Technical Support Network to make available an
13 appropriate level of professional assistance to businesses to enable them to re-
14 emerge from the COVID-19 emergency in a viable way.

15 (2) The Agency shall issue a request for proposals to service providers
16 to establish a group of Recovery Navigators qualified to provide businesses
17 with assistance in revising business models, business and financial planning,
18 and grant and loan writing support.

19 (b) Program description and implementation. The request for proposals
20 issued by the Agency shall solicit service providers adequately demonstrating
21 their qualifications in areas including:

- 1 (1) operational expertise and ability in helping businesses modernize
2 current operating practices;
- 3 (2) knowledge and experience in developing digital strategies for
4 retailers needing to establish a more robust and competitive online presence;
- 5 (3) architecture and physical space design for optimal flow in
6 restaurants adjusting their model and space to accommodate more takeout and
7 less seating, space for meal preparation, and food delivery logistics;
- 8 (4) reconfiguration of manufacturing equipment and processes to enable
9 production of Personal Protective Equipment, as well as accommodation of
10 safety measures resulting from the COVID-19 emergency;
- 11 (5) technology or software consulting to agricultural producers and
12 manufacturers on the utilization of technology to solve problems; and
- 13 (6) legal and other professional services experienced in helping
14 businesses develop turnaround plans, including restructuring debt,
15 prioritization of payables, and orderly unwinding businesses.

16 Sec. D.3. AGENCY OF COMMERCE AND COMMUNITY
17 DEVELOPMENT; APPROPRIATIONS

18 Of the CARES Act funds made available to the State of Vermont the
19 amount of \$25,000,000 is appropriated to the Agency of Commerce and
20 Community Development as follows:

1 (1) \$20,000,000 to administer the Restart Vermont Loan and Grant
2 Program pursuant to Sec. D.1 of this act, which amount the Agency shall
3 allocate as follows:

4 (A) \$6,000,000 to the Vermont Community Loan Fund:

5 (i) \$4,000,000 to provide ~~loan guarantees~~ ~~matching funds~~; and

6 (ii) \$2,000,000 for grants and interest rate subsidies on loans made
7 by participating lenders under the Program.

8 (B) \$1,000,000 to each of the following participating lenders for
9 grants and interest rate subsidies on loans the lenders issue under the Program:

10 (i) Brattleboro Development Credit Corporation.

11 (ii) Bennington County Industrial Corporation.

12 (iii) Rutland Economic Development Corporation.

13 (iv) Springfield Regional Development Corporation.

14 (v) Green Mountain Economic Development Corporation.

15 (vi) Northeast Vermont Development Association.

16 (vii) Lamoille Economic Development Corporation.

17 (viii) Franklin County Industrial Corporation.

18 (ix) Greater Burlington Industrial Corporation.

19 (x) City of Burlington Community Economic Development

20 Office.

21 (xi) Addison County Economic Development Corporation.

- 1 (xii) Central Vermont Economic Development Corporation.
- 2 (xiii) Community Capital of Vermont.
- 3 (xiv) Northern Community Investment Corporation.
- 4 (2) \$5,000,000 to establish the Restart Vermont Technical Support
- 5 Network pursuant to Sec. D.2. of this act.