

1 Introduced by
2 Referred to Committee on
3 Date:
4 Subject: Commerce and trade; economic development; housing; agriculture;
5 COVID-19

6 Statement of purpose of bill as introduced: This bill proposes to provide
7 support to Vermont businesses and individuals that suffered economic harm
8 during the COVID-19 health crisis.

9 An act relating to creating the Vermont COVID-19 Recovery Act

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

11 Sec. A.1. DEFINITIONS

12 As used in this act:

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

16 (2) “Governor’s Order” means Executive Order 01-20 and any addenda
17 and directives issued under that order.

18 * * * Vermont Economic Development Authority * * *

19 * * * Vermont Economic Injury Disaster Loan and Grant Program * * *

1 (4) payroll;

2 (5) other bills ordinarily paid from ongoing operations prior to the

3 COVID-19 pandemic; and

4 (6) costs incurred to change business strategy, delivery method, or other
5 operational changes in response to COVID-19 impacts.

6 (d) Ineligible uses. The following are ineligible uses of a Program loan or
7 grant:

8 (1) business expansion that is not related to COVID-19 impacts;

9 (2) physical repairs;

10 (3) acquisition of real property;

11 (4) construction of renewable energy projects;

12 (5) payment of bonuses or dividends; and

13 (6) debt consolidation or refinancing of long-term debt.

14 (e) Loan amount; terms. Under the Program:

15 (1)(A) The maximum amount the Authority may loan to an eligible

16 business is \$2,000,000.

17 (B) The Authority shall require collateral and a personal guaranty for

18 a loan that exceeds \$50,000.

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

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

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

7 (f) Grant amount; terms. Under the Program:

8 (1) The maximum amount the Authority may grant to an eligible
9 business is \$62,500.

10 (2) VEDA will calculate the amount of a grant by employing the
11 following formula as a standard basis for estimating expenses across all
12 Vermont businesses: (Annual revenues x 10%) x 25%.

13 Sec. B.2. LOAN INTEREST SUBSIDY PROGRAM

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

18 (b) Terms.

19 (1) VEDA shall use the Loan Interest Subsidy Program to provide
20 ongoing debt relief to borrowers by fully subsidizing six months of interest

1 expense for all existing loans not in a workout status, including but not limited
2 to bankruptcy, liquidation, foreclosure or restructuring.

3 (2) For loans currently on deferment, VEDA will make the interest
4 subsidy available beginning with the next payment due following the end of the
5 deferment period.

6 (c) Exclusions. The Loan Interest Subsidy Program shall not be available
7 to investor-owned loans for solar energy projects.

8 (d) Special conditions on real estate investment loan borrowers. VEDA
9 shall require real estate investment loan borrowers, including but not limited
10 to loans under Subchapter 3 of Chapter 12 of Title 10 and multi-tenant
11 properties, to pass on the interest subsidy to their tenants.

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

13 APPROPRIATIONS

14 Of the CARES Act funds made available to the State of Vermont the
15 amount of \$80,000,000 is appropriated to the Vermont Economic Development

16 Authority as follows:

17 (1) \$74,200,000 for the Vermont Economic Injury Disaster Loan

18 Program created in Sec. B.1 of this act:

19 (A) \$30 million for making grants;

20 (B) \$42.4 million for making loans and funding loan loss reserves,

21 with this allocation seeding a perpetual revolving loan fund through receipt of

1 loan payments creating future lending capacity for VEDA that will not be
2 restricted by the terms of the VEIDL Program; and
3 (C) \$1.8 million for payment of pay processing fees and
4 reimbursement of program administration and out-of-pocket expenses incurred
5 by VEDA.

6 (2) \$5,800,000 for the Loan Interest Subsidy Program created in Sec.
7 B.2 of this act.

8 * * * Department of Taxes * * *

9 Sec. C.1. RESTART VERMONT EMERGENCY ACTION GRANT
10 PROGRAM

11 (a) Authorization; purpose. The Department of Taxes shall establish a
12 Restart Vermont Emergency Action Grant Program to provide financial
13 assistance to businesses in vulnerable sectors of Vermont’s economy.

14 (b) Definitions. As used in this section:

15 (1) “Eligible recipient” means a business that:

16 (A)(i) has a commercial domicile in Vermont;

17 (ii) was operating in Vermont on or before February 15, 2020;

18 and

19 (iii) intends to restart normal business operations when it is able
20 or has restarted business operations;

1 (B)(i) is a vendor registered to collect sales and use tax pursuant to
2 Title 32, Chapter 233; or

3 (ii) an operator registered to collect meals and rooms tax pursuant
4 to Title 32, Chapter 225, but not operators who are only operators because they
5 conduct business as a booking agent under Title 32, Chapter 225;

6 (C)(i) is a monthly or quarterly filer of the taxes listed in subdivision
7 (1)(B) of this section and collects meals, rooms, alcohol or sales tax but not
8 more than the maximum sales amount;

9 (D)(i) was required to close because of the Governor’s Order; or

10 (ii) experienced a decrease in sales of fifty percent or more during
11 any month from March 1 through August 31, 2020 compared to the same
12 month in either 2019 or 2018 as a direct result of the COVID-19 pandemic;
13 and

14 (E)(i) provides all documentation and information required by the
15 Commissioner of Taxes in order to determine eligibility and calculate the
16 correct grant award;

17 (ii) has filed all required tax returns for tax periods until May 31,
18 2020; and

19 (iii) is in good standing with respect to taxes as defined by 32
20 V.S.A. §3113(g), except that an applicant is eligible even if the applicant has

1 unpaid sales and use or meals and rooms tax due for the periods including
2 March and April, 2020.

3 (2) “Grant award” means the amount calculated in subsection (d) of this
4 section.

5 (3) “Maximum sales amount” is \$2.5 million dollars of annual total
6 sales, calculated as the average annual sales over the 2017, 2018 and 2019
7 calendar years. If the recipient was not open for business in any month during
8 2017, 2018 and 2019, (except for normal seasonal or holiday closures) then
9 the sales for purposes of the maximum calculation amount shall be calculated
10 as the average monthly sales for the months it was open, and then calculated
11 on an annualized basis.

12 (c) Permissible grants.

13 (1) The Department of Taxes shall provide a procedure for businesses to
14 apply for a grant under the Program and shall issue a grant award to eligible
15 recipients.

16 (2) Grant funds shall be available on a first-come, first-served basis and
17 shall continue until all appropriated funds are disbursed or until December 31,
18 2020, whichever is earlier.

19 (3) Funds unexpended by December 31, 2020 shall be reallocated to
20 _____.

1 (4) Grants shall be only be used by recipients for costs of business
2 interruption caused by required closures.

3 (d) Calculation of Grant Award

4 (1) The grant award for eligible recipients shall be 2.5% of the average
5 annual sales from calendar year 2017, 2018 and 2019.

6 (2) If the recipient was not open for business in any month during 2017,
7 2018, and 2019, except for normal seasonal or holiday closures, then the sales
8 for purposes of this calculation shall be the average monthly sales for the
9 months the business was open, and then calculated on an annualized basis.

10 (3) If any recipient received insurance proceeds directly covering loss of
11 business during the year 2020 or payments from the Federal Paycheck
12 Protection Program, the amount of the grant calculated in subsection (a) shall
13 be reduced by the amount of insurance proceeds or payment from the Federal
14 Paycheck Protection Program.

15 (4) The name of the recipient and the amount of the grant shall be public
16 records subject to inspection.

17 (5) Any application documents containing federal identification
18 numbers and sales amounts shall, in their entirety, be subject to the
19 confidentiality provisions of 32 V.S.A. §3102 and shall be considered returned
20 information under that section.

21 (e) Excessive or Fraudulent Claims.

1 (1)(A) If the Commissioner determines that an award was disbursed and
2 was in excess of the eligible award, the Commissioner may impose an
3 assessment equal to the amount awarded for which the applicant was
4 ineligible.

5 (B) The assessment shall bear interest from the date the claim was
6 disbursed until the date it is collected at the rate per annum established from
7 time to time by the Commissioner pursuant to section 32 V.S.A. § 3108.

8 (C) The appeal, collection, and enforcement provisions of 32 V.S.A.
9 chapter 151 shall apply to the assessments unless contradictory to this section.

10 (2)(A) If the Commissioner determines that a claim was disbursed in
11 excess of the eligible award and was filed with fraudulent intent, the
12 Commissioner may impose an assessment provided in subdivision (1) of this
13 subsection and may impose a penalty of up to 100% of any award disbursed
14 based on fraudulent intent or fraudulent information provided by the applicant.

15 (B) The appeal, collection, and enforcement provisions of 32 V.S.A.
16 chapter 151 shall apply to the assessments unless contradictory to this section.

17 (3) All assessments collected under this subsection shall be considered
18 unexpended funds and shall be re-awarded or deposited as provided in
19 subdivision (c)(3) of this section.

20 (f) Offset. The grant awards disbursed under this section shall not be offset
21 to any state or Federal debt except if necessary to comply with federal law.

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

2 Of the CARES Act funds made available to the State of Vermont the
3 amount of \$100,000,000 is appropriated to the Department of Taxes to
4 administer the Restart Vermont Emergency Action Grant Program pursuant to
5 Sec. C.1 of this act.

6 * * * Agency of Commerce and Community Development * * *

7 * * * Department of Economic Development * * *

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

9 (a) Authorization; purpose.

10 (1) The Agency of Commerce and Community Development, in
11 partnership with participating nonprofit lenders, shall establish a Restart
12 Vermont Loan and Grant Program to provide economic support to *businesses*
13 *with less than \$1,000,000 in gross revenue and fewer than five employees.*

14 (2) The program will encourage the state's non-profit lending network
15 to utilize more than \$10 million in unutilized capital to help with the COVID-
16 19 response by:

17 (A) Creating a loan guarantee program at the Vermont Community
18 Loan Fund that participating lenders may access in the event of an eligible
19 loan's failure.

1 (B) Providing an interest rate subsidy to participating lenders when they
2 make an eligible loan to a business or non-profit to assist with recovery from
3 the COVID-19 closure.

4 (C) Providing grants to businesses and non-profit organizations that
5 either closed or had a 40 percent reduction in revenue due to the COVID-19
6 pandemic.

7 (b) Eligible borrowers and grantees. Participating lenders may make loans
8 and grants to:

9 (1) Businesses with employees in the State of Vermont and that are in
10 the form of a corporation, partnership, sole proprietor, independent
11 contractor, for-profit business, private non-profit, or agricultural enterprise;

12 (2) A business closed or open at a reduced level as a result of the
13 COVID-19 pandemic, provided that a closed business has a good faith plan to
14 reopen;

15 (3) a business in operation prior to February 15, 2020;

16 (4) a business with no greater than five full-time employees or their
17 equivalent and which cannot be adequately served by the Restart Vermont
18 Emergency Action Grants Program or the Vermont Economic Injury Disaster
19 Loan and Grant Program;

1 (5) a business that has not received a grant or loan through the Restart
2 Vermont Emergency Action Grants Program or the Vermont Restart Loan and
3 Grant Program;

4 (6) a business with annual gross revenue of less than \$1 million as
5 determined by a submitted tax return for 2018 or 2019; and

6 (7) A business that attests to having unmet need related to the COVID-
7 19 pandemic.

8 (c) Eligible uses.

9 (1) Participating lenders may use the funds to make loans and grants to
10 businesses and non-profit organizations. The eligible uses of these funds
11 include:

12 (A) Working capital;

13 (B) Payment of fixed costs, including mortgage and rent;

14 (C) Accounts payable;

15 (D) Tax payments;

16 (E) Payroll;

17 (F) Costs incurred to change business strategy, delivery method, or
18 other operational changes in response to COVID-19 impact;

19 (G) Business services, including marketing and consulting;

20 (H) Other bills ordinarily paid from on-going operations prior to the
21 COVID-19 pandemic; and

1 (1) Loan payments for loans originated before April 1, 2020, where
2 the proceeds were used to support the operations of a business.

3 (2) Participating lenders receiving an allocation of funds under the
4 Restart Vermont Loan and Grant Program may use a portion of their
5 allocation to subsidize not greater than 3 percent of the interest on any loan
6 made for one or more of the eligible uses described above.

7 (3) Participating lenders may use up to 2.5% of the funds awarded
8 under this act to pay for administrative costs associated with participating in
9 the program.

10 (d) Ineligible uses. No funds from the Restart Vermont Loan and Grant
11 Program shall be used for any of the following purposes:

12 (1) Business expansion not related to COVID 19 impact;

13 (2) Physical repairs;

14 (3) Acquisition of real property;

15 (4) Construction of renewable energy projects;

16 (5) Payment of bonuses or dividends; and

17 (6) Debt consolidation or refinancing of long-term debt.

18 (e) Loan amount; terms.

19 (1) Participating lenders will use their existing capital, and the existing
20 capital of other non-profit lenders and municipalities, to make loans.

1 (2) To be eligible to participate in the Vermont Community Loan Fund
2 loan guarantee program [established pursuant to this act] and to use funds
3 appropriated in this act to subsidize the interest of a loan, each loan must
4 conform to the following criteria:

5 (A) Not exceed \$20,000;

6 (B) Be a minimum of a five-year term;

7 (C) Have an effective interest rate of zero percent;

8 (D) Made to a proprietor with a credit score of at least 620. In the
9 event the business has multiple owners, the lender may accept the highest
10 credit score; and

11 (E) Made only after a complete application using VCLF's approved
12 template was submitted by the loan recipient.

13 (f) Grant amount; terms.

14 (1) Eligible applicants for a grant must demonstrate:

15 (A)(i) They were closed for at least 30 days due to the pandemic; or

16 (ii) They had a reduction in gross sales of at least 40 percent for

17 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;

1 (B) They applied for a Small Business Administration Economic
2 Injury Disaster Loan or the Small Business Administration’s Paycheck
3 Protection Program after March 1, 2020; and

4 (C) They applied for a loan from a participating lender.

5 (2)(A) Applicants will apply for a Restart Vermont Grant through a
6 participating lender when they apply for a loan from that lender.

7 (B) Participating lenders may make grants to eligible applicants for
8 the payment of operating expenses in a maximum not greater than \$25,000.

9 (C) Participating lenders will calculate the amount of a grant by
10 employing the following formula as a standard basis for estimating expenses
11 across all Vermont businesses: (Annual revenues x 10%) x 25%.

12 (3) If an applicant has received a Paycheck Protection Program Loan
13 from the Small Business Administration, the participating lender shall
14 calculate the amount of a grant using the following formula: (Annual revenues
15 x 10%) x 20%.

16 (4) If an applicant has received an Economic Injury Disaster Grant
17 from the Small Business Administration, the participating lender must reduce
18 the grant awarded by an amount equal to the grant payment.

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

20 PROGRAM

21 (a) Authorization; purpose.

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

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

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

12 (1) Operational expertise and ability in helping businesses modernize
13 current operating practices;

14 (2) Knowledge and experience in developing digital strategies for
15 retailers needing to establish a more robust and competitive online presence;

16 (3) Architecture and physical space design for optimal flow in
17 restaurants adjusting their model and space to accommodate more takeout and
18 less seating, space for meal preparation, and food delivery logistics;

19 (4) Reconfiguration of manufacturing equipment and processes to
20 enable production of Personal Protective Equipment, as well as
21 accommodation of safety measures resulting from the COVID-19 emergency;

1 (5) Technology or software consulting to agricultural producers and
2 manufacturers on the utilization of technology to solve problems; and

3 (6) Legal and other professional services experienced in helping
4 businesses develop turnaround plans, including restructuring debt,
5 prioritization of payables, and orderly unwinding businesses.

6 Sec. D.3. AGENCY OF COMMERCE AND COMMUNITY

7 DEVELOPMENT; APPROPRIATIONS

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

11 (1) \$20,000,000 to administer the Restart Vermont Loan and Grant
12 Program pursuant to Sec. D.1 of this act, which amount the Agency shall
13 allocate as follows:

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

15 (i) \$4,000,000 to create a loan guarantee program; and

16 (ii) \$2,000,000 for grants to small businesses impacted by
17 COVID-19 and to subsidize interest rates on loans made through the loan
18 guarantee program.

19 (B) \$1,000,000 to each of the following participating lenders to make
20 grants to small businesses impacted by COVID-19 and to subsidize interest
21 rates on loans made by the organizations to COVID-19 impacted businesses:

- 1 (i) Brattleboro Development Credit Corporation;
- 2 (ii) Bennington County Industrial Corporation;
- 3 (iii) Rutland Economic Development Corporation;
- 4 (iv) Springfield Regional Development Corporation;
- 5 (v) Green Mountain Economic Development Corporation;
- 6 (vi) Northeast Vermont Development Association;
- 7 (vii) Lamoille Economic Development Corporation;
- 8 (viii) Franklin County Industrial Corporation;
- 9 (ix) Greater Burlington Industrial Corporation;
- 10 (x) City of Burlington Community Economic Development Office;
- 11 (xi) Addison County Economic Development Corporation;
- 12 (xii) Central Vermont Economic Development Corporation;
- 13 (xiii) Community Capital of Vermont; and
- 14 (xiv) Northern Community Investment Corporation.

15 (2) \$5,000,000 to establish the Restart Vermont Technical Support
16 Network pursuant to Sec. D.2. of this act.

17 * * * Department of Housing and Community Development * * *

18 Sec. E.1. VERMONT RENTAL HOUSING STABILIZATION *FUND*
19 *PROGRAM*

20 (a) Creation of Program

21

1 (1) The Department of Housing and Community Development shall
2 develop and implement a Rental Housing Stabilization Fund Program to provide
3 funding to statewide and regional housing partner organizations who will
4 administer the distribution of funds to tenants and landlords in need of rental
5 arrears assistance.

6 (2) Assistance will be distributed directly to the landlords on the tenants’
7 behalf.

8 (3) In developing the Program, the Department shall coordinate with the
9 Agency of Human Services and statewide and regional housing and
10 homelessness authorities so as to streamline the application process, provide
11 additional support services, and better promote upstream homelessness
12 prevention and housing stability.

13 (b) Purpose. Due to the COVID-19 pandemic, many Vermont tenants have
14 seen a loss or reduction of income and are unable or struggling to pay rent. As
15 a result, landlords across the state are not receiving full rental payments
16 necessary to cover the costs of building ownership and upkeep. This act is
17 intended to create a Rental Housing Stabilization Fund to distribute funds to
18 tenants and landlords in need.

19 (c) Administration,

20 (1) The Department shall require any statewide or regional housing
21 partner organization that receives funding under this program to develop a

1 standard application form for tenants or landlords that describes the application
2 process and includes clear instructions and examples to help tenants or
3 landlords apply.

4 (2) The selection process shall ensure equitable approval of
5 applications and a distribution system that ensures accountability for the
6 statewide and regional housing partner organizations, tenants, and landlords
7 ultimately receiving the funds.

8 (d) Distribution requirements.

9 (1) The Department shall develop eligibility requirements for the
10 statewide and regional housing partners for their implementation to ensure the
11 funds are applied towards tenants and landlords equitably and to those in the
12 most need.

13 (2) Requirements that shall be developed include, but are not limited to,
14 the following:

15 (A) limitations for eligibility regarding the earned income of the
16 tenants in comparison to the area median income;

17 (B) forms and guidelines for tenants and landlords to follow to show
18 that tenants have missed rental payments, are at risk of eviction, or otherwise
19 show proof of a demonstrable need for rental assistance;

20 (C) landlords delaying or ceasing eviction proceedings, or both, for a
21 period of time as a condition of receiving assistance;

1 (D) limitations on the number of units owned by any single landlord
2 that may be eligible to receive payments; and
3 (E) limitations on actual cash benefits, which shall not exceed the
4 actual liability or three times the monthly rental liability, whichever is
5 less. This restriction shall include a re-application process which states
6 that if there are remaining Program funds at the end of the three-month
7 period, the tenant may re-apply for assistance.

8 Sec. E.2. VERMONT RE-HOUSING RECOVERY FUND PROGRAM

9 (a) Statement of Purpose.

10 (1) Due to the COVID-19 pandemic, service providers throughout
11 Vermont have effectively interrupted homelessness by providing non-
12 congregate shelter in various forms.

13 (2) To continue this necessary step in maintaining public health, and to
14 limit the number of individuals re-entering homelessness, additional housing
15 units will need to be made available.

16 (3) Simultaneously, there exist numerous potential rental units
17 throughout the State that remain in a substandard state due to a lack of
18 resources to bring units up to minimal rental housing health code.

19 (4) Vermont's rental housing stock is some of the oldest in the country
20 and much of it needs updating to meet code requirements and other standards.

1 (5) This section is intended to create a Re-Housing Recovery Fund that
2 will be used to provide emergency housing rehabilitation grants and forgivable
3 loans to private and public rental unit owners to make significant
4 improvements to housing quality, and to incentivize re-housing the homeless
5 population and other low-income tenants.

6 (b) Creation of program. The Department of Housing and Community
7 Development shall design and implement a Re-housing Recovery Fund
8 Program to provide funding to statewide and regional housing partner
9 organizations to provide incentive grants and forgivable loans to eligible
10 applicants.

11 (c) Administration. The Department shall require any statewide or regional
12 housing partner organization that receives funding under the Program to
13 develop:

14 (1) a standard application form that describes the application process
15 and includes clear instructions and examples to help property owners apply;

16 (2) a selection process that ensures equitable selection of property
17 owners; and

18 (3) a grants management system that ensures accountability for funds
19 awarded to property owners.

20 (d) Grant and forgivable loan requirements.

1 (1) The Department shall determine whether statewide and regional
2 housing partner organizations shall issue grants, forgivable loans, or both.

3 (2) The Department shall ensure each grant and forgivable loan
4 complies with the following requirements:

5 (A) A property owner may apply for a grant, forgivable loan, or both
6 of up to \$30,000 per unit.

7 (B) The units must be blighted, vacant, or otherwise not comply with
8 applicable rental housing health and safety laws.

9 (C) A property owner shall:

10 (i) match at least 10% of the value of the grant or forgivable loan;
11 and

12 (ii) comply with applicable permit requirements and rental
13 housing health and safety laws.

14 (3) All affected units must be rented at or below annually published
15 HUD Fair Market Rent for the County or Metropolitan Statistical Area for at
16 least five years or be subject to loan interest penalties and repayment
17 requirements as to be determined and codified by the Department.

18 (4) If a property owner sells or transfers a property improved with grant
19 or forgivable loan funds within 5 years of receiving the funds, the property
20 owner shall:

21 (A) repay the amount of the funds upon sale or transfer; or

1 (B) ensure that the property continues to remain affordable for the
2 remainder of the five-year period required in subdivision (4) of this subsection.

3 (5) The Department shall develop requirements regarding the following:

4 (A) encouraging and incentivizing Statewide and regional housing
5 partner organizations and property owners to work with local *continua* of care
6 organizations;

7 (B) limitations on the number of units that any one individual owner
8 may receive funds towards;

9 (C) incentivizing the goal that at least 50 percent of the rehabilitated
10 units serve a person exiting homelessness during the initial lease upon
11 completion of work;

12 (D) requiring that a percentage of the program participant’s units must
13 serve someone exiting homelessness at the initial lease upon completion of
14 work, and associated incentives; and

15 (E) requirements and incentives regarding statewide and regional
16 housing partner organizations and property owners working with local
17 *continua* of care organizations

18 (e) Definitions. As used in this section:

19 (1) “Blighted” means that a rental unit is not fit for human habitation and
20 does not comply with the requirements of applicable building, housing, and
21 health regulations.

1 (2) “Vacant” means that a rental unit has not been leased or occupied for
2 at least 90 days prior to the date on which a property owner submits an
3 application and the unit remains unoccupied at the time of the award.

4 Sec. E.3. DEPARTMENT OF HOUSING AND COMMUNITY
5 DEVELOPMENT; APPROPRIATION

6 Of the CARES Act funds make available to the State of Vermont the
7 amount of \$50,000,00 is appropriated to the Department of Housing and
8 Community Development as follows:

9 (1) \$42,000,000 to provide rental arrearage assistance through the
10 Vermont Rental Housing Stabilization Fund Program pursuant to Sec. E.1 of
11 this act.

12 (2) \$8,000,000 to provide emergency housing rehabilitation grants and
13 forgivable loans through the Vermont Re-Housing Recovery Fund Program
14 pursuant to Sec. E.2 of this act.

15 * * * Department of Tourism and Marketing * * *

16 Sec. F.1. REGIONAL MARKETING AND CONSUMER STIMULUS
17 GRANT PROGRAM

18 (a) Creation. There is created in the Department of Tourism and Marketing
19 a Regional Marketing and Consumer Stimulus Grant Program to re-establish
20 and increase consumer spending and help businesses maintain a viable
21 customer base to replace the sales lost due to the COVID-19 disruption.

1 (b) Eligible uses.

2 (1) The Department shall provide funding in the form of grants to
3 encourage Vermonters to patronize local businesses.

4 (2) Eligible uses of grant funds may include:

5 (A) incentives to local businesses to create discounted
6 opportunities for Vermonters;

7 (B) buy local challenges;

8 (C) regional loyalty, affinity, or gift card programs;

9 (D) other consumer stimulus programs approved by the Agency
10 of Commerce and Community Development; and,

11 (E) direct outreach and marketing activities to promote the
12 consumer stimulus programs.

13 (c) Application and approval process.

14 (1) The Department shall issue a request to solicit proposals from the
15 different regions of the State for the use of grant funds best meeting the
16 consumer stimulus needs of each region.

17 (2) The Department shall encourage local organizations to submit a
18 comprehensive marketing proposal through one organization.

19 (3) The maximum amount of a grant shall not be greater than \$600,000.

20 Sec. F.2. RESTART VERMONT PROMOTIONAL MARKETING

21 CAMPAIGN

1 (a) Creation. The Department of Tourism and Marketing shall design and
2 implement a Restart Vermont Promotional Marketing Campaign to encourage
3 consumer spending in Vermont as the economy reopens and to encourage
4 visitation, as it is safe to do so, to replace the sales and revenue losses suffered
5 by tourism, hospitality, and retail businesses due to the COVID-19 disruption.

6 (b) Purpose. The Department shall create the Restart Vermont
7 Promotional Marketing Campaign for the purpose of providing an immediate
8 increase in customer activity for small businesses in Vermont, including but
9 not limited to restaurants, lodging establishments, retail stores, and tourism
10 attractions. Grants awarded by the Department shall directly support Vermont
11 communities, downtowns and village centers and small businesses in the state
12 in order to prevent business closures and increase the generation of tax
13 revenue.

14 (c) Administration of marketing campaign.

15 (1) The Department shall administer the Campaign to coordinate and
16 unify promotional and marketing initiatives throughout the State.

17 (2) To assist Vermont communities in marketing and promoting with
18 unified themes and messages, the Department shall make available a marketing
19 toolkit of creative assets for use by communities, organizations, and individual
20 businesses.

21

1 Sec. F.3. DEPARTMENT OF TOURISM AND MARKETING;

2 APPROPRIATIONS

3 Of the CARES Act funds made available to the State of Vermont the
4 amount of \$5,000,000 is appropriated to the Department of Tourism and
5 Marketing as follows:

6 (1) \$3,750,000 to provide grants through the Regional Marketing and
7 Consumer Stimulus Grant Program pursuant to Sec. F.1 of this act; and

8 (2) \$1,250,000 to design and implement a Restart Vermont Promotional
9 Marketing Campaign pursuant to Sec. F.2 of this act.

10 * * * Agency of Agriculture, Food and Markets * * *

11 Sec. G.1. DAIRY ASSISTANCE PROGRAM

12 Sec. 1. Definitions

13 (a) As used in this Dairy Assistance Program:

14 (1) "Animal feeding operation" (AFO) means a lot or facility where the
15 livestock have been, are, or will be stabled or confined and fed or
16 maintained for a total of 45 days or more in any 12-month period, and
17 crops, vegetation, or forage growth are not sustained in the normal
18 growing season over any portion of the lot or facility. Two or more
19 individual farms qualifying as an AFO which are under common
20 ownership and which adjoin each other or use a common area or
21 system for the disposal of waste, shall be considered to be a single AFO

1 if the combined number of livestock resulting qualifies as a medium
2 farm as defined in subdivision (2) of this section.

3 (2) “Certified small farm” means a small farm with at least 50 mature
4 dairy cows required to certify compliance with the Required
5 Agricultural Practices under 6 V.S.A. § 4871 and so certified as of
6 March 1, 2020.

7 (3) “Dairy processor” is a person, partnership, unincorporated
8 association, or corporation who owns or controls any place, premise,
9 or establishment where butter, cheese, cream, buttermilk, infant
10 formula, ice cream, yogurt or other dairy products identified by rule by
11 the Secretary are processed for sale. Dairy processors shall only be
12 eligible for payments based on the amount of milk processed in
13 Vermont and shall not be eligible for any compensation related to out-
14 of-state processing. To determine maximum grant eligibility, each dairy
15 processor shall be evaluated within the milk processing size known to
16 the Secretary as of March 1, 2020.

17 (4) “Economic harm” means a milk producer’s or dairy processor’s
18 expenses and/or lost revenue related to the 2020 COVID-19 public
19 health emergency. To show economic harm and qualify for this dairy
20 assistance program, a milk producer or dairy processor must 1) be
21 currently producing milk or dairy products, and 2) must accurately

1 demonstrate losses related to the costs of business disruption caused by
2 the COVID-19 pandemic that are reimbursable under the terms of the
3 Coronavirus Relief Fund authorized in Section 5001 of P.L. 116-136.
4 All compensable losses must accrue on or after March 1, 2020 and
5 before December 31, 2020. Economic harm is not compensable if the
6 same expenses have been or will be covered by insurance or another
7 federal grant.

8 (5) "Goat or sheep dairy farm" is any place or premise where one or more
9 dairy goats and/or dairy sheep are kept and where a part or all the
10 milk from the animals is sold or offered for sale.

11 (6) "Large farm" is an AFO which houses more than 699 mature dairy
12 cows and where a part or all the milk from the animals is sold or
13 offered for sale.

14 (7) "Medium farm" is an AFO which houses 200 to 699 mature dairy cows
15 and where a part or all the milk from the animals is sold or offered for
16 sale.

17 (8) "Milk producer" or "producer" is a person, partnership,
18 unincorporated association, or corporation who owns or controls one or
19 more dairy cows, dairy goats, or dairy sheep on a large farm, medium
20 farm, certified small farm, small farm, or goat or sheep farm, and sells or
21 offers for sale a part or all the milk produced by the animals. To determine

1 maximum grant eligibility, each milk producer shall be evaluated within
2 the farm type known to the Secretary as of March 1, 2020.

3 (9) "Small farm" is an AFO which houses no more than 199 mature dairy
4 cows or a goat or sheep dairy farm where a part or all the milk from the
5 animals is sold or offered for sale.

6 (10) "Secretary" means the Secretary of Agriculture, Food and Markets or
7 his or her designee.

8 Sec. 2. Program Creation and Description

9 There is established in the Agency of Agriculture, Food and Markets a
10 program to provide financial assistance to milk producers and dairy
11 processors that have suffered economic harm in Vermont caused by the
12 COVID-19 public health emergency.

13 (1) The program shall be administered by the Agency of Agriculture, Food
14 and Markets, which shall award available funds to eligible applicants that
15 demonstrate economic harm.

16 (2) The Secretary shall create an application form which milk producers
17 and dairy processors must utilize when applying for relief. Applicants must
18 certify that all information they provide is truthful and accurate to the best of
19 their knowledge, information, and belief.

20 (3) The program, up to the maximum total distribution of 40 million
21 appropriated dollars, shall aid milk producers that demonstrate economic

1 harm to the Secretary. The payment amount shall be based on the amount of
2 economic harm on the date the application is received up to the maximum
3 disbursement permitted for each type of qualified farm. Applications will be
4 processed in the order received, but an application shall not be ready for
5 evaluation until the Secretary receives all required proof of economic harm
6 and deems it complete.

7 (4) The program, up to the maximum total distribution of 10 million
8 appropriated dollars, shall aid dairy processors that demonstrate economic
9 harm to the Secretary. The payment amount shall be based on the amount of
10 economic harm on the date the application is received up to the maximum
11 disbursement permitted for each qualified dairy processor. Applications will
12 be processed in the order received, but an application shall not be ready for
13 evaluation until the Secretary receives all required proof of economic harm
14 and deems it complete.

15 (5) Up to the maximum total appropriations, the Secretary shall award
16 payments to reimburse qualified milk producers for demonstrated economic
17 harm as follows:

18 (A) Large farms shall receive up to \$110,000.00.

19 (B) Medium farms shall receive up to \$90,000.00.

20 (C) Certified smalls farms shall receive up to \$60,000.00.

21 (D) Small farms shall receive up to \$42,500.00.

1 (6) Up to the maximum total appropriations, the Secretary shall award
2 payments to reimburse qualified dairy processors for demonstrated economic
3 harm as follows:

4 (A) Dairy processors that process less than 500 pounds of milk per day
5 shall receive up to \$56,500.00.

6 (B) Dairy processors that process from 500 to 9,999 pounds of milk per
7 day shall receive up to \$70,000.00.

8 (C) Dairy processors that process from 10,000 to 49,999 pounds of
9 milk per day shall receive up to \$97,000.00.

10 (D) Dairy processors that process from 50,000 to 99,999 pounds of
11 milk per day shall receive up to \$127,000.00.

12 (E) Dairy processors that process from 100,000 to 499,999 pounds of
13 milk per day shall receive up to \$157,000.00.

14 (F) Dairy processors that process 500,000 pounds or more of milk per
15 day shall receive up to \$185,000.00.

16 (G) Dairy processors that process frozen desserts (excluding product
17 for soft serve ice cream machines) shall receive up to \$56,500.00.

18 (7) Once an applicant submits a complete application and demonstrates
19 economic harm, the Secretary shall promptly issue a payment provided
20 the appropriated funds have not been expended. The last payment may
21 be a partial payment consisting of the remaining available funds.

- 1 (8) Whenever a milk producer or dairy processor has not demonstrated
2 economic harm equal to or greater than the maximum allowed
3 disbursement for its category, the application shall remain pending for
4 a potential future showing of additional economic harm. Qualified
5 applicants that incur additional economic harm after the date of their
6 initial application may file an addendum to demonstrate subsequent
7 economic harm to the Secretary. The Secretary shall create an
8 addendum form which milk producers and dairy processors must utilize
9 when applying for additional relief. Applicants must certify that all
10 information they provide is truthful and accurate to the best of their
11 knowledge, information, and belief. Eligible milk producers and dairy
12 processors may submit an addendum to their initial application by
13 October 1, 2020 to show any additional economic harm eligible for
14 compensatory payment. No milk producer or dairy processor shall
15 receive total payments that exceed the maximum allowed payment.
- 16 (9) All initial applications shall be processed before considering addenda
17 demonstrating additional economic harm, and each addendum will be
18 processed in the order received. An addendum shall not be ready for
19 evaluation until the Secretary receives all required proof of economic
20 harm and deems it complete. Once an eligible applicant submits a
21 complete addendum and demonstrates additional economic harm, the

1 Secretary shall promptly issue a payment provided the appropriated
2 funds have not been expended. The last payment may be a partial
3 payment consisting of the remaining available funds.

4 Sec. 3. Assistance Payments

5 Each assistance payment shall be a direct payment from the State of Vermont
6 to an eligible milk producer or dairy processor. Milk producers and dairy
7 processors shall not submit more than one application, but those that do not
8 initially qualify for the maximum allowed payment may submit an addendum to
9 demonstrate additional economic harm by October 1, 2020.

10 (b) Any funds not expended by November 1, 2020 shall revert to the Agency of
11 Agriculture, Food and Markets for ongoing financial assistance to farmers
12 who can demonstrate economic harm incurred from March 1, 2020 through
13 December 30, 2020 consistent with the requirements of P.L. 116-136.

14 Sec. 5. Enforcement

15 (a) A violation under this act may give rise to civil, administrative, and/or
16 criminal enforcement under Title 6 or Title 13.

17 (b) Any ineligible or unqualified applicant who inappropriately receives funds
18 shall be administratively and/or civilly liable for returning the funds to the
19 State of Vermont and for a penalty of up to \$10,000. Any person who willfully,
20 knowingly, or recklessly submits false information in an attempt or successful
21 effort to defraud the State, shall be imprisoned for not more than five years

1 and fined not more than \$1,000.00, or both. Any person may also be subject to
2 prosecution for any additional crime(s) committed under Title 13.

3 (c) The Attorney General or State's Attorney may prosecute civil, criminal, or
4 administrative actions in accordance with the Vermont Rules of Civil and
5 Criminal Procedure and the Vermont Administrative Procedure Act.

6 Sec. G.2. AGENCY OF AGRICULTURE, FOOD AND MARKETS;

7 APPROPRIATION

8 (a) There is appropriated from the Coronavirus Relief Fund dollars allocated
9 to the state of Vermont under the federal Coronavirus Aid, Relief, and
10 Economic Security Act for Fiscal Year 2020 the sum of \$50,000,000 to the
11 Department of Finance and Management for transfer to the Agency of
12 Agriculture, Food and Markets to process payments for dairy assistance
13 established in this act. From the appropriated funds, \$40,000,000 shall be
14 available for milk producers and \$10,000,000 shall be available for dairy
15 processors.

16 * * * Agency of Human Services * * *

17 Sec. H.1. WELL-BEING FOR SMALL BUSINESSES

18 (a) Program description; authorization.

19 (1) The State of Vermont's "Invest Employee Assistance Program
20 Centers for Wellbeing" in the Division of Vocational Rehabilitation is an
21 employee assistance program that provides important services to support the

1 health and wellbeing of the Vermont workforce at over 250 businesses that
2 elect to pay for this service.

3 (2) The State of Vermont Employee Assistance Program, through the
4 period ending August 31, 2020, is authorized to extend its programs and
5 services to serve businesses in Vermont employing 50 or fewer employees.

6 (b) Services provided.

7 (1) The State of Vermont’s Invest EAP Centers for Wellbeing shall
8 make available to small business owners and their employees important
9 services to support the health and wellbeing of the Vermont workforce that
10 elect to pay for this service.

11 (2) The EAP services shall include counseling, resources, and referrals
12 designed to help employees with issues and concerns related to depression,
13 anxiety, PTSD, workplace issues, family and relationship issues, legal
14 problems, substance issues, elder care, and childcare.

15 (3) EAP shall make its services available through a team of highly
16 skilled, licensed mental health counselors located throughout the State, all of
17 whom currently provide services through videoconferencing.

18 Sec. H.2. AGENCY OF HUMAN SERVICES; APPROPRIATION

19 Of the CARES Act funds made available to the State of Vermont the
20 amount of \$250,000 is appropriated to the State of Vermont Employee
21 Assistance Program to provide financial support to the Invest EAP Centers for

1 Wellbeing in making its services available to small business owners and their
2 employees.

3 * * * Effective Dates * * *

4 Sec. I.1. EFFECTIVE DATES

5 (a) This section and Sec. A.1. (definitions) shall take effect on passage.

6 (b) Secs. B.1–B. of this act (Vermont Economic Development Authority)
7 shall take effect on

8 (c) Secs. C.1–C. of this act (Department of Taxes) shall take effect on

9 (d) Secs. D.1–D. of this act (Department of Economic Development) shall
10 take effect on

11 (e) Secs. E.1–E. of this act (Department of Housing and Community
12 Development) shall take effect on

13 (f) Secs. F.1–F of this act (Department of Tourism and Marketing) shall
14 take effect on

15 (g) Secs. G.1–G of this act (Agency of Agriculture, Food and Markets)
16 shall take effect on

17 (h) Secs. H.1–H of this act (Agency of Human Services) shall take effect
18 on

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