

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

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

7           (b) Eligible businesses. Eligible borrowers shall be:

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

11                    (2) closed or open businesses, provided that a closed business has a  
12                    good faith plan to reopen;

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

14                    (4) a business with **greater than five** full-time employees and which  
15                    cannot be adequately served by the Restart Vermont Emergency Action Grants  
16                    Program or the Vermont Restart Loan and Grant Program.

17           (c) Eligible uses. The following are eligible uses of a Program loan **or**  
18           grant:

19                    (1) working capital;

20                    (2) payment of fixed costs;

21                    (3) accounts payable;

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           (I) 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

19