

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 * * * Definitions * * *

12 Sec. A.1. DEFINITIONS

13 As used in this act:

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

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

19 (3) “Eligible business” means:

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

3 (B) The business is:

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

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

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

11 (D) The business:

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

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

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

18 (i) working capital;

19 (ii) payment of fixed costs;

20 (iii) accounts payable;

21 (iv) payroll;

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

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

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

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

9 (ii) physical repairs;

10 (iii) acquisition of real property;

11 (iv) construction of renewable energy projects;

12 (v) payment of bonuses or dividends;

13 (vi) debt consolidation or refinancing of long-term debt; and

14 (vii) payments for taxes, public utilities, or other government
15 services or fees that qualify as revenue replacement to the government

16 recipient under the CARES Act.

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

19 (a) Authorization; purpose. The Vermont Economic Development
20 Authority shall establish a Vermont Economic Injury Disaster Loan and Grant

1 Program to support the reopening and restoration to full operation of
2 businesses harmed economically by the COVID-19 pandemic.

3 (b) Requirements for loan and grant applicants.

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

6 (A) has six or more employees; and

7 (B) cannot be adequately served by the Restart Vermont Emergency
8 Action Grants Program within the Department of Taxes or the Vermont Restart
9 Loan and Grant Program within the Agency of Commerce and Community
10 Development.

11 (c) Loan amount; terms.

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

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

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

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

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

4 (d) Grant amount; terms.

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

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

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

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

13 (A) \$62,500; or

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

16 (3) For purposes of calculating a business’s revenue pursuant to this
17 subsection, if the business was not open in any month during 2017, 2018, and
18 2019 other than for normal seasonal or holiday closures, then the revenue
19 equals the average monthly revenue for the months the business was open, and
20 then calculated on an annualized basis.

21 (e) Program terms and limitations.

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

3 (2) The Authority shall award loan and grant funds on a first-come,
4 first-served basis until funds are exhausted or December 30, 2020, whichever
5 is sooner.

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

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

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

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

15 Sec. B.2. LOAN INTEREST SUBSIDY PROGRAM

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

20 (b) Program terms and limitations.

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

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

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

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

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

14 APPROPRIATIONS

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

18 (1) \$74,200,000 for the Vermont Economic Injury Disaster Loan
19 Program created in Sec. B.1 of this act:

20 (A) \$30 million for grants;

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

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

8 (2) \$5,800,000 for the Loan Interest Subsidy Program created in Sec.
9 B.2 of this act.

10 * * * Department of Taxes * * *

11 Sec. C.1. RESTART VERMONT EMERGENCY ACTION GRANT
12 PROGRAM

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

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

18 (1) The business is domiciled in Vermont.

19 (2) The business is:

20 (A) a vendor registered to collect sales and use tax pursuant to Title
21 32, Chapter 233; or

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

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

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

10 (5) The business:

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

14 (B) has filed all required tax returns for tax periods until May 31,
15 2020; and

16 (C) is in good standing with respect to taxes as defined by 32 V.S.A.
17 §3113(g), except that an applicant is eligible even if the applicant has unpaid
18 sales and use or meals and rooms tax due for the periods including February
19 and March, 2020.

20 (c) Grant amount; terms.

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

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

3 (B) experienced a 50 percent or greater reduction in monthly revenue
4 in any one-month period between March 1, 2020 and August 31, 2020 as
5 compared to the same one month period between March 1, 2019 and August
6 31, 2019.

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

8 (A) \$62,500; or

9 (B) 2.5 percent of the business’s average annual sales subject to sales
10 and use, and to rooms and meals taxes, from calendar years 2017, 2018 and
11 2019.

12 (3) For purposes of calculating a business’s sales pursuant to this
13 subsection, if the business was not open in any month during 2017, 2018, and
14 2019 other than for normal seasonal or holiday closures, then the sales equal
15 the average monthly sales for the months the business was open, and then
16 calculated on an annualized basis.

17 (e) Program terms and limitations.

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

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

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

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

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

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

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

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

19 * * * Agency of Commerce and Community Development * * *

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

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

5 (b) Requirements for loan and grant applicants.

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

8 (A) has five or fewer employees;

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

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

13 (c) Loan amount; terms.

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

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

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

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

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

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

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

7 (d) Grant amount; terms.

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

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

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

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

16 (A) \$62,500; or

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

19 (3) For purposes of calculating a business’s revenue pursuant to this
20 subsection, if the business was not open in any month during 2017, 2018, and
21 2019 other than for normal seasonal or holiday closures, then the revenue

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

3 (e) Program terms and limitations.

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

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

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

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

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

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

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

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

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

5 (a) Authorization; purpose.

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

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

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

17 (1) operational expertise and ability in helping businesses modernize
18 current operating practices;

19 (2) knowledge and experience in developing digital strategies for
20 retailers needing to establish a more robust and competitive online presence;

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

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

7 (5) technology or software consulting to agricultural producers and
8 manufacturers on the utilization of technology to solve problems; and

9 (6) legal and other professional services experienced in helping
10 businesses develop turnaround plans, including restructuring debt,
11 prioritization of payables, and orderly unwinding businesses.

12 Sec. D.3. AGENCY OF COMMERCE AND COMMUNITY
13 DEVELOPMENT; APPROPRIATIONS

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

17 (1) \$20,000,000 to administer the Restart Vermont Loan and Grant
18 Program pursuant to Sec. D.1 of this act, which amount the Agency shall
19 allocate as follows:

20 (A) \$6,000,000 to the Vermont Community Loan Fund:
21 (i) \$4,000,000 to provide loan guarantees; and

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

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

5 (i) Brattleboro Development Credit Corporation.

6 (ii) Bennington County Industrial Corporation.

7 (iii) Rutland Economic Development Corporation.

8 (iv) Springfield Regional Development Corporation.

9 (v) Green Mountain Economic Development Corporation.

10 (vi) Northeast Vermont Development Association.

11 (vii) Lamoille Economic Development Corporation.

12 (viii) Franklin County Industrial Corporation.

13 (ix) Greater Burlington Industrial Corporation.

14 (x) City of Burlington Community Economic Development

15 Office.

16 (xi) Addison County Economic Development Corporation.

17 (xii) Central Vermont Economic Development Corporation.

18 (xiii) Community Capital of Vermont.

19 (xiv) Northern Community Investment Corporation.

20 (2) \$5,000,000 to establish the Restart Vermont Technical Support
21 Network pursuant to Sec. D.2. of this act.

1 * * * Department of Housing and Community Development * * *

2 Sec. E.1. VERMONT RENTAL HOUSING STABILIZATION *FUND*

3 *PROGRAM*

4 *(a) Creation of Program*

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

10 (2) Assistance will be distributed directly to the landlords on the tenants'
11 behalf.

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

17 (b) Purpose. Due to the COVID-19 pandemic, many Vermont tenants have
18 seen a loss or reduction of income and are unable or struggling to pay rent. As
19 a result, landlords across the state are not receiving full rental payments
20 necessary to cover the costs of building ownership and upkeep. This act is

1 intended to create a Rental Housing Stabilization Fund to distribute funds to
2 tenants and landlords in need.

3 (c) Administration,

4 (1) The Department shall require any statewide or regional housing
5 partner organization that receives funding under this program to develop a
6 standard application form for tenants or landlords that describes the application
7 process and includes clear instructions and examples to help tenants or
8 landlords apply.

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

13 (d) Distribution requirements.

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

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

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

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

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

6 (D) limitations on the number of units owned by any single landlord
7 that may be eligible to receive payments; and

8 (E) limitations on actual cash benefits, which shall not exceed the
9 actual liability or three times the monthly rental liability, whichever is
10 less. This restriction shall include a re-application process which states
11 that if there are remaining Program funds at the end of the three-month
12 period, the tenant may re-apply for assistance.

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

14 (a) Statement of Purpose.

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

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

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

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

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

11 (b) Creation of program. The Department of Housing and Community
12 Development shall design and implement a Re-housing Recovery Fund
13 Program to provide funding to statewide and regional housing partner
14 organizations to provide incentive grants and forgivable loans to eligible
15 applicants.

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

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

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

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

5 (d) Grant and forgivable loan requirements.

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

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

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

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

14 (C) A property owner shall:

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

16 and

17 (ii) comply with applicable permit requirements and rental
18 housing health and safety laws.

19 (3) All affected units must be rented at or below annually published
20 HUD Fair Market Rent for the County or Metropolitan Statistical Area for at

1 least five years or be subject to loan interest penalties and repayment
2 requirements as to be determined and codified by the Department.

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

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

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

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

10 (A) encouraging and incentivizing Statewide and regional housing
11 partner organizations and property owners to work with local *continua* of care
12 organizations;

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

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

18 (D) requiring that a percentage of the program participant's units must
19 serve someone exiting homelessness at the initial lease upon completion of
20 work, and associated incentives; and

1 (E) requirements and incentives regarding statewide and regional
2 housing partner organizations and property owners working with local
3 continua of care organizations

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

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

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

11 Sec. E.3. DEPARTMENT OF HOUSING AND COMMUNITY

12 DEVELOPMENT; APPROPRIATION

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

16 (1) \$42,000,000 to provide rental arrearage assistance through the
17 Vermont Rental Housing Stabilization Fund Program pursuant to Sec. E.1 of
18 this act.

19 (2) \$8,000,000 to provide emergency housing rehabilitation grants and
20 forgivable loans through the Vermont Re-Housing Recovery Fund Program
21 pursuant to Sec. E.2 of this act.

1 * * * Department of Tourism and Marketing * * *

2 Sec. F.1. REGIONAL MARKETING AND CONSUMER STIMULUS

3 GRANT PROGRAM

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

8 (b) Eligible uses.

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

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

12 (A) incentives to local businesses to create discounted
13 opportunities for Vermonters;

14 (B) buy local challenges;

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

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

18 (E) direct outreach and marketing activities to promote the
19 consumer stimulus programs.

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 (d) Application and approval process.

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

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

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

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

8 APPROPRIATIONS

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

12 (1) \$3,750,000 to provide grants through the Regional Marketing and
13 Consumer Stimulus Grant Program pursuant to Sec. F.1 of this act; and

14 (2) \$1,250,000 to design and implement a Restart Vermont Promotional
15 Marketing Campaign pursuant to Sec. F.2 of this act.

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

17 Sec. G.1. DAIRY ASSISTANCE PROGRAM

18 Sec. 1. Definitions

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

20 (1) "Animal feeding operation" (AFO) means a lot or facility where the
21 livestock have been, are, or will be stabled or confined and fed or

1 maintained for a total of 45 days or more in any 12-month period, and
2 crops, vegetation, or forage growth are not sustained in the normal
3 growing season over any portion of the lot or facility. Two or more
4 individual farms qualifying as an AFO which are under common
5 ownership and which adjoin each other or use a common area or
6 system for the disposal of waste, shall be considered to be a single AFO
7 if the combined number of livestock resulting qualifies as a medium
8 farm as defined in subdivision (2) of this section.

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

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

1 processor shall be evaluated within the milk processing size known to
2 the Secretary as of March 1, 2020.

3 (4) “Economic harm” means a milk producer’s or dairy processor’s
4 expenses and/or lost revenue related to the 2020 COVID-19 public
5 health emergency. To show economic harm and qualify for this dairy
6 assistance program, a milk producer or dairy processor must 1) be
7 currently producing milk or dairy products, and 2) must accurately
8 demonstrate losses related to the costs of business disruption caused by
9 the COVID-19 pandemic that are reimbursable under the terms of the
10 Coronavirus Relief Fund authorized in Section 5001 of P.L. 116-136.
11 All compensable losses must accrue on or after March 1, 2020 and
12 before December 31, 2020. Economic harm is not compensable if the
13 same expenses have been or will be covered by insurance or another
14 federal grant.

15 (5) “Goat or sheep dairy farm” is any place or premise where one or more
16 dairy goats and/or dairy sheep are kept and where a part or all the
17 milk from the animals is sold or offered for sale.

18 (6) “Large farm” is an AFO which houses more than 699 mature dairy
19 cows and where a part or all the milk from the animals is sold or
20 offered for sale.

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

4 (8) "Milk producer" or "producer" is a person, partnership,
5 unincorporated association, or corporation who owns or controls one or
6 more dairy cows, dairy goats, or dairy sheep on a large farm, medium
7 farm, certified small farm, small farm, or goat or sheep farm, and sells or
8 offers for sale a part or all the milk produced by the animals. To determine
9 maximum grant eligibility, each milk producer shall be evaluated within
10 the farm type known to the Secretary as of March 1, 2020.

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

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

16 Sec. 2. Program Creation and Description

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

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

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

8 (3) The program, up to the maximum total distribution of 40 million
9 appropriated dollars, shall aid milk producers that demonstrate economic
10 harm to the Secretary. The payment amount shall be based on the amount of
11 economic harm on the date the application is received up to the maximum
12 disbursement permitted for each type of qualified farm. Applications will be
13 processed in the order received, but an application shall not be ready for
14 evaluation until the Secretary receives all required proof of economic harm
15 and deems it complete.

16 (4) The program, up to the maximum total distribution of 10 million
17 appropriated dollars, shall aid dairy processors that demonstrate economic
18 harm to the Secretary. The payment amount shall be based on the amount of
19 economic harm on the date the application is received up to the maximum
20 disbursement permitted for each qualified dairy processor. Applications will
21 be processed in the order received, but an application shall not be ready for

1 evaluation until the Secretary receives all required proof of economic harm
2 and deems it complete.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 (8) Whenever a milk producer or dairy processor has not demonstrated
12 economic harm equal to or greater than the maximum allowed
13 disbursement for its category, the application shall remain pending for
14 a potential future showing of additional economic harm. Qualified
15 applicants that incur additional economic harm after the date of their
16 initial application may file an addendum to demonstrate subsequent
17 economic harm to the Secretary. The Secretary shall create an
18 addendum form which milk producers and dairy processors must utilize
19 when applying for additional relief. Applicants must certify that all
20 information they provide is truthful and accurate to the best of their
21 knowledge, information, and belief. Eligible milk producers and dairy

1 processors may submit an addendum to their initial application by
2 October 1, 2020 to show any additional economic harm eligible for
3 compensatory payment. No milk producer or dairy processor shall
4 receive total payments that exceed the maximum allowed payment.

5 (9) All initial applications shall be processed before considering addenda
6 demonstrating additional economic harm, and each addendum will be
7 processed in the order received. An addendum shall not be ready for
8 evaluation until the Secretary receives all required proof of economic
9 harm and deems it complete. Once an eligible applicant submits a
10 complete addendum and demonstrates additional economic harm, the
11 Secretary shall promptly issue a payment provided the appropriated
12 funds have not been expended. The last payment may be a partial
13 payment consisting of the remaining available funds.

14 Sec. 3. Assistance Payments

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

20 (b) Any funds not expended by November 1, 2020 shall revert to the Agency of
21 Agriculture, Food and Markets for ongoing financial assistance to farmers

1 who can demonstrate economic harm incurred from March 1, 2020 through
2 December 30, 2020 consistent with the requirements of P.L. 116-136.

3 Sec. 5. Enforcement

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

6 (b) Any ineligible or unqualified applicant who inappropriately receives funds
7 shall be administratively and/or civilly liable for returning the funds to the
8 State of Vermont and for a penalty of up to \$10,000. Any person who willfully,
9 knowingly, or recklessly submits false information in an attempt or successful
10 effort to defraud the State, shall be imprisoned for not more than five years
11 and fined not more than \$1,000.00, or both. Any person may also be subject to
12 prosecution for any additional crime(s) committed under Title 13.

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

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

17 APPROPRIATION

18 (a) There is appropriated from the Coronavirus Relief Fund dollars allocated
19 to the state of Vermont under the federal Coronavirus Aid, Relief, and
20 Economic Security Act for Fiscal Year 2020 the sum of \$50,000,000 to the
21 Department of Finance and Management for transfer to the Agency of

1 Agriculture, Food and Markets to process payments for dairy assistance
2 established in this act. From the appropriated funds, \$40,000,000 shall be
3 available for milk producers and \$10,000,000 shall be available for dairy
4 processors.

5 * * * Agency of Human Services * * *

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

7 (a) Program description; authorization.

8 (1) The State of Vermont’s “Invest Employee Assistance Program
9 Centers for Wellbeing” in the Division of Vocational Rehabilitation is an
10 employee assistance program that provides important services to support the
11 health and wellbeing of the Vermont workforce at over 250 businesses that
12 elect to pay for this service.

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

16 (b) Services provided.

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

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

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

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

9 Of the CARES Act funds made available to the State of Vermont the
10 amount of \$250,000 is appropriated to the State of Vermont Employee
11 Assistance Program to provide financial support to the Invest EAP Centers for
12 Wellbeing in making its services available to small business owners and their
13 employees.

14 * * * Effective Dates * * *

15 Sec. I.1. EFFECTIVE DATES

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

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

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

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

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

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

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

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

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