Introduced by Senate Committee on Economic Development and Housing and

General Affairs

Referred to Committee on

Date:

Subject: Commerce and trade; economic development; housing

Statement of purpose of bill as introduced: This bill proposes to create programs to award emergency grants from the Coronavirus Relief Fund for economic development and housing.

An act relating to deploying Coronavirus Relief Fund grants for housing and economic development

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

Sec. 1. DEFINITIONS

As used in this act:


(2) “Eligible business” means:

(A) The business is a non-public, private organization that:
(i) is domiciled or has its primary place of business in Vermont;

and

(ii) has one or more employees in Vermont.

(B) The business is:

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

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

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

(D) The business:

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

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

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

(i) working capital;

(ii) payment of fixed costs;

(iii) accounts payable;
(iv) payroll;

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

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

(B) “Eligible use” does not include:

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

(ii) physical repairs;

(iii) acquisition of real property;

(iv) construction of renewable energy projects;

(v) payment of bonuses or dividends;

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

(vii) payments for taxes, public utilities, or other government services or fees that qualify as revenue replacement to the government recipient under the CARES Act; and

(viii) payments for expenses for which the business has or will receive reimbursement from another federal source, State source, or insurance.

Sec. 2. RESTART VERMONT EMERGENCY ACTION GRANT PROGRAM
(a) Authorization; appropriation. Of the funds available in the Coronavirus Relief Fund, the amount of $50,000,000 is appropriated to the Department of Taxes to establish a Restart Vermont Emergency Action Grant Program, in coordination with the Agency of Commerce and Community Development.

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

(1) The business is:
   (A) a vendor registered to collect sales and use tax pursuant to Title 32, Chapter 233; or
   (B) is an operator registered to collect meals and rooms tax pursuant to Title 32, Chapter 225, but this does not include operators who are only operators because they conduct business as a booking agent under Title 32, Chapter 225.

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

(3) The business experienced a 75 percent or greater reduction in taxable sales in any one-month period from March 1, 2020 to September 1, 2020 as compared to the same one month period from March 1, 2019 to September 1, 2019.

(c) Grant amount; terms.
(1) The Department shall establish a formula for determining the amount of grant awards.

(2) The Department shall consider whether grant awards should be adjusted based on whether an applicant has received financial assistance from other sources.

Sec. 3. RESTART VERMONT GRANT PROGRAM

(a) Authorization; appropriation.

(1) Of the funds available in the Coronavirus Relief Fund, the amount of $20,000,000 is appropriated to the Agency of Commerce and Community Development to establish a Restart Vermont Grant Program, in coordination with the Department of Taxes.

(2) The Agency shall identify local, regional, and State economic development organizations with whom it may partner to most efficiently distribute grants under the Program, which may include the Vermont Economic Development Authority, regional development corporations, community action agencies, and private institutions.

(b) Requirements for grant applicants. An eligible business may apply for a grant for an eligible use if the business experienced a 75 percent or greater reduction in revenue in any one-month period from March 1, 2020 to September 1, 2020 as compared to the same one month period from March 1, 2019 to September 1, 2019.
(c) Grant amount; terms.

(1) The Agency shall establish a formula for determining the amount of grant awards.

(2) The Agency shall consider whether grant awards should be adjusted based on whether an applicant has received financial assistance from other sources.

Sec. 4. GUIDELINES; REPORTING

(a) Guidelines. Not later than ten days after the effective date of this act, the Department of Taxes and the Agency of Commerce and Community Development shall publish guidelines governing the implementation of their respective programs, which at minimum shall:

(1) establish application and award procedures;

(2) establish standards to determine whether a business has its primary place of business in Vermont;

(3) establish standards for eligible uses of grant funds;

(4) establish standards governing the amount of grant awards:

(A) to ensure the equitable distribution of funds among regions and among business types, sizes, and sectors; and

(B) to ensure that grants are based on need and will have a meaningful impact on the business’s viability.
(5) establish procedures to ensure that grant awards comply with the requirements of the CARES Act and that the State maintains adequate records to demonstrate compliance with the Act;

(6) establish procedures to prevent, detect, and mitigate fraud, waste, error, and abuse; and

(7) establish procedures to ensure that grant applicants are in compliance with State and federal employment and labor laws.

(b) Reporting. The Agency and Department shall:

(1) provide weekly updates and information concerning grant guidelines, awards, and implementation to the committees of jurisdiction of the General Assembly; and

(2) submit a report to the General Assembly on or before August 15, 2020 detailing the implementation of this section, including specific information concerning the amount and identity of grant recipients, which shall be publicly available.

Sec. 5. EFFECTIVE DATE

This act shall take effect on passage.