Introduced by

Referred to Committee on

Date:

Subject: Commerce and trade; economic development; housing; agriculture;

COVID-19

Statement of purpose of bill as introduced: This bill proposes to provide

support to Vermont businesses and individuals that suffered economic harm
during the COVID-19 health crisis.

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

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

* * * Definitions * * *

Sec. A.1. DEFINITIONS

As used in this act:

(1) “CARES Act” means the Coronavirus Aid, Relief, and Economic

Security Act, Pub. L. No. 116–136, as amended, and any guidance and

regulations issued under that act.

(2) “Governor’s Order” means Executive Order 01-20 and any addenda

and directives issued under that order.

(3) “Eligible business” means:
(A) The business is a non-public, private organization that has one or more employees in Vermont.

(B) The business is:

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

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

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

(D) The business:

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

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

(4)(A) “Eligible use” means a use of loan or grant funds permitted under the CARES Act to assist a business in addressing the costs of business interruption during 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; and

(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.

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

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

(b) Requirements for loan and grant applicants.

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

(A) has six or more employees; and

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

(c) Loan amount; terms.

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

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

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

(3)(A) The Authority shall charge an interest rate of zero percent in months one through 12 and an interest rate of two percent in months 13 through 24.
(B) After 24 months the Authority shall convert the loan to a variable interest rate based on its base interest rate for a loan term of not more than 10 years with an amortization period of not more than 20 years.

(d) Grant amount; terms.

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

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

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

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

(A) $62,500; or

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

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

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

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

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

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

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

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

Sec. B.2. LOAN INTEREST SUBSIDY PROGRAM

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

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

For loans currently in deferment, the Authority shall make the interest subsidy available beginning with the next payment due following the end of the deferment period.

The Loan Interest Subsidy Program is not available to investor-owned loans for solar energy projects.

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

Sec. B.3. VERMONT ECONOMIC DEVELOPMENT AUTHORITY;

APPROPRIATIONS

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

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

(A) $30 million for grants;
(B) $42.4 million for loans and funding loan loss reserves, with this allocation seeding a perpetual revolving loan fund through receipt of loan payments creating future lending capacity for VEDA that will not be restricted by the terms of the VEIDL Program; and

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

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

*** Department of Taxes ***

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

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

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

(1) The business is domiciled in Vermont.

(2) 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 because they conduct business as a booking agent under Title 32, Chapter 225.

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

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

(5) The business:

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

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

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

(c) Grant amount; terms.

(1) The Authority may award a grant to an eligible business that:
(A) was required to close its physical operations under the Governor’s order; or

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

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

(A) $62,500; or

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

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

(e) Program terms and limitations.

(1) A business shall not use loan or grant funds to cover expenditures for which it has or will receive reimbursement from another source.
(2) The Department shall award grant funds on a first-come, first-served basis until funds are exhausted or December 30, 2020, whichever is sooner.

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

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

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

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

Sec. C.2. DEPARTMENT OF TAXES; APPROPRIATION

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

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

Sec. D.1. RESTART VERMONT LOAN AND GRANT PROGRAM
(a) Authorization; purpose. The Agency of Commerce and Community Development, in partnership with participating nonprofit lenders, shall establish a Restart Vermont Loan and Grant Program to provide loans and grants to eligible businesses.

(b) Requirements for loan and grant applicants.

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

(A) has five or fewer employees;

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

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

(c) Loan amount; terms.

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

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

(3)(A) The maximum amount of a loan to an eligible business for an eligible use is $20,000.
(B) The minimum term of a loan is five years.

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

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

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

(d) Grant amount; terms.

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

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

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

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

(A) $62,500; or

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

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

(e) Program terms and limitations.

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

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

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

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

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

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

(7) A participating lender may use a portion of its allocated funds to
subsidize not more than 3 percent of the interest on a loan.
(8) A participating lenders may use up not more than 2.5 percent of its allocated funds to pay for administrative costs associated with participating in the Program.

Sec. D.2. RESTART VERMONT TECHNICAL SUPPORT NETWORK

(a) Authorization; purpose.

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

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

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

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

(2) knowledge and experience in developing digital strategies for retailers needing to establish a more robust and competitive online presence;
(3) architecture and physical space design for optimal flow in
restaurants adjusting their model and space to accommodate more takeout and
less seating, space for meal preparation, and food delivery logistics;

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

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

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

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

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

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

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

(i) $4,000,000 to provide loan guarantees; and
(ii) $2,000,000 for grants and interest rate subsidies on loans made by participating lenders under the Program.

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

(i) Brattleboro Development Credit Corporation.

(ii) Bennington County Industrial Corporation.

(iii) Rutland Economic Development Corporation.

(iv) Springfield Regional Development Corporation.

(v) Green Mountain Economic Development Corporation.


(vii) Lamoille Economic Development Corporation.

(viii) Franklin County Industrial Corporation.

(ix) Greater Burlington Industrial Corporation.

(x) City of Burlington Community Economic Development Office.

(xi) Addison County Economic Development Corporation.

(xii) Central Vermont Economic Development Corporation.

(xiii) Community Capital of Vermont.

(xiv) Northern Community Investment Corporation.

(2) $5,000,000 to establish the Restart Vermont Technical Support Network pursuant to Sec. D.2. of this act.
Sec. E.1. VERMONT RENTAL HOUSING STABILIZATION FUND PROGRAM

(a) Creation of Program

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

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

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

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

(c) Administration.

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

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

(d) Distribution requirements.

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

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

(A) limitations for eligibility regarding the earned income of the
tenants in comparison to the area median income:
(B) forms and guidelines for tenants and landlords to follow to show
that tenants have missed rental payments, are at risk of eviction, or otherwise
show proof of a demonstrable need for rental assistance;
(C) landlords delaying or ceasing eviction proceedings, or both, for a
period of time as a condition of receiving assistance;
(D) limitations on the number of units owned by any single landlord
that may be eligible to receive payments; and
(E) limitations on actual cash benefits, which shall not exceed the
actual liability or three times the monthly rental liability, whichever is
less. This restriction shall include a re-application process which states
that if there are remaining Program funds at the end of the three-month
period, the tenant may re-apply for assistance.

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

(a) Statement of Purpose.

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

(2) To continue this necessary step in maintaining public health, and to
limit the number of individuals re-entering homelessness, additional housing
units will need to be made available.
Simultaneously, there exist numerous potential rental units throughout the State that remain in a substandard state due to a lack of resources to bring units up to minimal rental housing health code.

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

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

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

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

(1) a standard application form that describes the application process and includes clear instructions and examples to help property owners apply;
(2) a selection process that ensures equitable selection of property owners; and

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

(d) Grant and forgivable loan requirements.

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

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

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

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

(C) A property owner shall:

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

and

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

(3) All affected units must be rented at or below annually published HUD Fair Market Rent for the County or Metropolitan Statistical Area for at
least five years or be subject to loan interest penalties and repayment

requirements as to be determined and codified by the Department.

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

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

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

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

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

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

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

(D) requiring that a percentage of the program participant’s units must
serve someone exiting homelessness at the initial lease upon completion of
work, and associated incentives; and
(E) requirements and incentives regarding statewide and regional
housing partner organizations and property owners working with local
continua of care organizations

(e) Definitions. As used in this section:

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

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

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

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

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

(2) $8,000,000 to provide emergency housing rehabilitation grants and
forgivable loans through the Vermont Re-Housing Recovery Fund Program
pursuant to Sec. E.2 of this act.
Sec. F.1. REGIONAL MARKETING AND CONSUMER STIMULUS GRANT PROGRAM

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

(b) Eligible uses.

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

(2) Eligible uses of grant funds may include:

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

(B) buy local challenges;

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

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

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

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

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

(c) Administration of marketing campaign.

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

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

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

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

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

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

APPROPRIATIONS

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

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

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

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

Sec. G.1. DAIRY ASSISTANCE PROGRAM

Sec. 1. Definitions

(a) As used in this Dairy Assistance Program:

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

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

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

(4) “Economic harm” means a milk producer’s or dairy processor’s
expenses and/or lost revenue related to the 2020 COVID-19 public
health emergency. To show economic harm and qualify for this dairy
assistance program, a milk producer or dairy processor must 1) be
currently producing milk or dairy products, and 2) must accurately
demonstrate losses related to the costs of business disruption caused by
the COVID-19 pandemic that are reimbursable under the terms of the
All compensable losses must accrue on or after March 1, 2020 and
before December 31, 2020. Economic harm is not compensable if the
same expenses have been or will be covered by insurance or another
federal grant.

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

(6) “Large farm” is an AFO which houses more than 699 mature dairy
cows and where a part or all the milk from the animals is sold or
offered for sale.
(7) "Medium farm" is an AFO which houses 200 to 699 mature dairy cows and where a part or all the milk from the animals is sold or offered for sale.

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

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

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

Sec. 2. Program Creation and Description

There is established in the Agency of Agriculture, Food and Markets a program to provide financial assistance to milk producers and dairy processors that have suffered economic harm in Vermont caused by the COVID-19 public health emergency.
(1) The program shall be administered by the Agency of Agriculture, Food and Markets, which shall award available funds to eligible applicants that demonstrate economic harm.

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

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

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

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

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

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

(C) Certified small farms shall receive up to $60,000.00.

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

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

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

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

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

(D) Dairy processors that process from 50,000 to 99,999 pounds of milk per day shall receive up to $127,000.00.
(E) Dairy processors that process from 100,000 to 499,999 pounds of milk per day shall receive up to $157,000.00.

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

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

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

(8) Whenever a milk producer or dairy processor has not demonstrated economic harm equal to or greater than the maximum allowed disbursement for its category, the application shall remain pending for a potential future showing of additional economic harm. Qualified applicants that incur additional economic harm after the date of their initial application may file an addendum to demonstrate subsequent economic harm to the Secretary. The Secretary shall create an addendum form which milk producers and dairy processors must utilize when applying for additional relief. Applicants must certify that all information they provide is truthful and accurate to the best of their knowledge, information, and belief. Eligible milk producers and dairy
processors may submit an addendum to their initial application by October 1, 2020 to show any additional economic harm eligible for compensatory payment. No milk producer or dairy processor shall receive total payments that exceed the maximum allowed payment.

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

Sec. 3. Assistance Payments

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

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

Sec. 5. Enforcement

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

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

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

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

APPROPRIATION

(a) There is appropriated from the Coronavirus Relief Fund dollars allocated to the state of Vermont under the federal Coronavirus Aid, Relief, and Economic Security Act for Fiscal Year 2020 the sum of $50,000,000 to the Department of Finance and Management for transfer to the Agency of
Agriculture, Food and Markets to process payments for dairy assistance

established in this act. From the appropriated funds, $40,000,000 shall be available for milk producers and $10,000,000 shall be available for dairy processors.

* * * Agency of Human Services * * *

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

(a) Program description; authorization.

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

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

(b) Services provided.

(1) The State of Vermont’s Invest EAP Centers for Wellbeing shall make available to small business owners and their employees important services to support the health and wellbeing of the Vermont workforce that elect to pay for this service.
(2) The EAP services shall include counseling, resources, and referrals designed to help employees with issues and concerns related to depression, anxiety, PTSD, workplace issues, family and relationship issues, legal problems, substance issues, elder care, and childcare.

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

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

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

*** Effective Dates ***

Sec. I.1. EFFECTIVE DATES

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

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

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

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

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

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

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