

RESTART VERMONT ECONOMIC RECOVERY PACKAGE

SUMMARY

Vermont Economic Development Authority

PART I: Vermont Economic Injury Disaster Loans and Grants Program.....\$74.2 MM
PART II: Loan Interest Subsidy Program.....\$5.8 MM

Department of Taxes

PART III: Restart Vermont Emergency Action Program.....\$100 MM

Agency of Commerce and Community Development

ECONOMIC DEVELOPMENT:

PART IV: Restart Vermont Loan and Grant Program\$20 MM
PART V: Restart Vermont Technical Support Network Program.....\$5 MM

HOUSING:

PART VI: Vermont Rental Housing Stabilization Fund Program.....\$42 MM
PART VII: Vermont Re-Housing Recovery Fund Program.....\$8 MM

TOURISM AND MARKETING:

PART VIII: Regional Marketing and Consumer Stimulus Grants Program.....\$3.75 MM
PART IX: Restart Vermont Promotional Marketing Campaign.....\$1.25 MM

Agency of Agriculture Food and Markets

PART X: Dairy Assistance During the COVID-19 Public Health Emergency.....\$50 MM

Agency of Human Services – Employee Assistance Program

PART XI: Wellbeing for Small Businesses.....\$250 K

TOTAL RESTART VERMONT RECOVERY PACKAGE.....\$310,250,000

RECOVERY PHASE II (language forthcoming)

Total Phase II Package.....\$90,000,000.

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

PART I: Vermont Economic Injury Disaster Loans and Grants Program

Sec. 1. Purpose

The Vermont Economic Development Authority (VEDA) is authorized to exercise its powers under 10 V.S.A. § 216(13) and (14) to include the administration of the Vermont Economic

Injury Disaster Loans and Grants Program for the purpose of making grants and loans to eligible small businesses 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. VEDA shall establish the Vermont Economic Injury Disaster Loan Program to support the reopening or restoration to full operation of businesses economically harmed by COVID-19. VEDA shall provide support through loans, deferral of payment on existing VEDA loans, and grants. Notwithstanding any provisions in 10 V.S.A. § 216 limiting the amount or nature of financial assistance VEDA is authorized to provide, VEDA is hereby authorized to make the loans and in the nature and amounts as described in greater detail herein.

Sec. 2. Appropriation

An appropriation of \$74.2 million shall be made to VEDA for the following purposes:

- (a) \$30 million for making grants;
- (b) \$42.4 million for making 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 VEDA.

Sec. 3. VEIDL Loans

Eligible Borrowers shall be:

- (a) Businesses with employees in the State of Vermont and that are in the form of a corporation, partnership, sole proprietor, independent contractor, for-profit business, private non-profit, or agricultural enterprise;
- (b) closed or open businesses, provided that a closed business has a good faith plan to reopen;
- (c) a business in operation prior to February 15, 2020; and
- (d) a business with greater than five full-time employees and which cannot be adequately served by the Restart Vermont Emergency Action Grants Program or the Vermont Restart Loan and Grant Program.

Sec. 4. **Eligible Uses**

VEDA shall make VEIDL loans to eligible borrowers for the following eligible uses:

- (a) Working capital;
- (b) Payment of fixed costs;
- (c) Accounts payable;
- (d) Payroll;
- (e) Costs incurred to change business strategy, delivery method, or other operational changes in response to COVID-19 impact
- (f) Other bills ordinarily paid from on-going operations prior to the COVID-19 pandemic.

Sec. 5. **Ineligible uses**

VEDA shall not make VEDIL loans to borrowers for any of the following uses:

- (a) Business expansion not related to COVID 19 impact;
- (b) Physical repairs;

- (c) Acquisition of real property;
- (d) Construction of renewable energy projects;
- (e) Payment of bonuses or dividends; and
- (f) Debt consolidation or refinancing of long-term debt.

Sec. 6. Loan Amounts and Terms

VEDA may make VEIDL loans to eligible borrowers in the maximum amount of \$2,000,000.

VEDA shall charge an interest rate of zero percent during the first 12 months of the loan and 2 percent for months 13 through 24, after which VEDA shall convert the loan to a variable interest rate based on the VEDA base interest rate for a loan term of not more than 10 years with an amortization period not greater than 20 years. VEDA shall not require payments for the first 12 months. For loans greater than \$50,000, VEDA shall require collateral and a personal guaranty.

Sec. 7. VEDA Grants

VEDA is authorized to make grants 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. Eligible applicants for a grant must meet the same qualifications required of borrowers under the VEIDL Program. Applications shall be made on a form provided by VEDA.

Sec. 8. Grant Amount and terms

VEDA may make grants to eligible applicants for the payment of operating expenses in a maximum not greater than \$62,500. VEDA will calculate the amount of a grant by employing the following formula as a standard basis for estimating expenses across all Vermont businesses: $(\text{Annual revenues} \times 10\%) \times 25\%$.

PART II: VEDA – Loan Interest Subsidy Program

Sec. 1. Appropriation and Purpose

VEDA shall be appropriated \$5.8 million of 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 to administer a Loan Interest Subsidy Program providing debt relief to borrowers on their outstanding loans from VEDA and the Vermont Agricultural Credit Corporation.

Sec. 2. Program description and terms of subsidy

VEDA 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 but not limited to bankruptcy, liquidation, foreclosure or restructuring. For loans currently on deferment, VEDA will make the interest subsidy available beginning with the next payment due following the end of the deferment period.

Sec. 3. Exclusions

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

Sec. 4. Special conditions on real estate investment loan borrowers

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

DEPARTMENT OF TAXES

PART III: Restart Vermont Emergency Action Grants Program

Sec. 1. Program Description

There is established in Subchapter ## of Chapter ## of Title 32 a Restart Vermont Emergency Action Grant Program which shall be administered by the Department of Taxes. The purpose of the program is to provide financial assistance to businesses in vulnerable sectors of Vermont’s economy.

Sec. 2. Appropriation

The Department shall provide grants to eligible recipients awarding a total amount not greater than \$100 million of 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.

Sec. 3. Definitions

As used in this Chapter, the following definitions shall apply:

- (1) “Eligible recipient” means a business that:
 - a. has a commercial domicile in Vermont and intends to restart normal business operations when it is able or has restarted business operations;
 - b. is a vendor registered to collect sales and use tax pursuant to Title 32, Chapter 233 or an operator registered to collect meals and rooms tax pursuant to Title 32, Chapter 225 but not operators who are only operators because they conduct business as a booking agent under Title 32, Chapter 225;
 - c. is a monthly or quarterly filer of the taxes listed in subsection a and collects meals, rooms, alcohol or sales tax but not more than the maximum sales amount;
 - d. was either required to close because of a directive in the Governor’s Executive Order 01-20 dated March 13, 2020 including addenda and directives or experienced a decrease in sales of fifty percent or more during any month from March 1 through August 31, 2020 compared to the same month in either 2019 or 2018 as a direct result of the COVID-19 pandemic; and

- e. provides all documentation and information required by the Commissioner of Taxes in order to determine eligibility and calculate the correct grant award, has filed all required tax returns for tax periods until May 31, 2020, and is 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 March and April, 2020.
- (2) “grant award” shall be the amount calculated in Section 4.
 - (3) “maximum sales amount” is \$2.5 million dollars of annual total sales, calculated as the average annual sales over the 2017, 2018 and 2019 calendar years. If the recipient was not open for business in any month during 2017, 2018 and 2019, (except for normal seasonal or holiday closures) then the sales for purposes of the maximum calculation amount shall be calculated as the average monthly sales for the months it was open, and then calculated on an annualized basis.

Sec. 4. Grants Permissible

The Department of Taxes, in consultation with the Department of Finance and Management, shall provide a method for businesses to apply for a grant under this Chapter and shall issue a grant award to eligible recipients. Grant funds shall be available on a first-come, first-served basis and shall continue until all appropriated funds are disbursed or until December 31, 2020, whichever is earlier. Funds not obligated by December 31, 2020 shall be reallocated to _____.

Sec. 5. Calculation of Grant Award

(a) The grant award for eligible recipients shall be 2.5% of the average annual sales from calendar year 2017, 2018 and 2019. If the recipient was not open for business in any month during 2017, 2018, and 2019, (except for normal seasonal or holiday closures), then the sales for purposes of this calculation shall

be the average monthly sales for the months the business was open, and then calculated on an annualized basis.

(b) If any recipient received insurance proceeds directly covering loss of business during the year 2020 or payments from the Federal Paycheck Protection Program, the amount of the grant calculated in subsection

(c) shall be reduced by the amount of insurance proceeds or payment from the Federal Paycheck Protection Program.

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

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

Sec. 6. Excessive or Fraudulent Claims

(a) In any case where the Commissioner determines that an award was disbursed and was in excess of the eligible award, the Commissioner may impose an assessment equal to the amount awarded for which the applicant was ineligible. The assessment shall bear interest from the date the claim was disbursed until the date it is collected at the rate per annum established from time to time by the Commissioner pursuant to section 3108 of title 32. The appeal, collection and enforcement provisions of title 32, chapter 151 shall apply to the assessments unless contradictory to this Chapter.

(b) In any case where the Commissioner determines that a claim was disbursed in excess of the eligible award and was filed with fraudulent intent, the Commissioner may impose an assessment provided in subsection (a) of this section, and may impose a penalty of up to 100% of any award disbursed based on fraudulent intent or fraudulent information provided by the applicant. The appeal, collection and enforcement provisions of title 32, chapter 151 shall apply to the assessments unless contradictory to this Chapter.

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

Sec. 7. Debt Set-off

The grant awards disbursed under this Chapter shall not be offset to any state or Federal debt except as necessary to comply with Federal law.

AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT

ECONOMIC DEVELOPMENT

PART IV: Restart Vermont Loan and Grant Program

Sec. 1. Program Description

There is created a Restart Vermont Loan and Grant Program to be administered by participating non-profit lenders and the Agency of Commerce and Community Development to help businesses with less than \$1 million in gross revenue and fewer than five employees recover from the impacts of the COVID-19 pandemic. The program will:

- (a) Encourage the state's non-profit lending network to utilize more than \$10 million in unutilized capital to help with the COVID-19 response by:
 - i. Creating a loan guarantee program at the Vermont Community Loan Fund that participating lenders may access in the event of an eligible loan's failure.
 - ii. Providing an interest rate subsidy to participating lenders when they make an eligible loan to a business or non-profit to assist with recovery from the COVID-19 closure.
 - iii. Providing grants to businesses and non-profit organizations that either closed or had a 40 percent reduction in revenue due to the COVID-19 pandemic.

Sec. 2. Appropriation

The Agency of Commerce and Community Development shall be appropriated \$20 million of 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 to establish a Restart Vermont Loan and Grant Fund as authorized by this act.

Sec. 3. Allocation of Funds

The Agency shall allocate the funds appropriated for the Restart Vermont Loan and Grant Fund to the following participating lenders in the amounts indicated:

- (a) \$6 million to the Vermont Community Loan Fund
 - i. \$4 million to create a loan guarantee program; and
 - ii. \$2 million to make grants to small businesses impacted by COVID-19 and to subsidize interest rates on loans made by the Fund to COVID-19 impacted businesses.

- (b) \$1 million to each of the following participating lenders to make grants to small businesses impacted by COVID-19 and to subsidize interest rates on loans made by the organizations to COVID-19 impacted businesses:
 - (1) Brattleboro Development Credit Corporation;
 - (2) Bennington County Industrial Corporation;
 - (3) Rutland Economic Development Corporation;
 - (4) Springfield Regional Development Corporation;
 - (5) Green Mountain Economic Development Corporation;
 - (6) Northeast Vermont Development Association;

- (7) Lamoille Economic Development Corporation;
- (8) Franklin County Industrial Corporation;
- (9) Greater Burlington Industrial Corporation;
- (10) City of Burlington Community Economic Development Office;
- (11) Addison County Economic Development Corporation;
- (12) Central Vermont Economic Development Corporation;
- (13) Community Capital of Vermont; and
- (14) Northern Community Investment Corporation.

Sec. 4. Eligible Borrowers and Grantees

Participating lenders may make loans and grants to:

- (a) Businesses with employees in the State of Vermont and that are in the form of a corporation, partnership, sole proprietor, independent contractor, for-profit business, private non-profit, or agricultural enterprise;
- (b) A business closed or open at a reduced level as a result of the COVID-19 pandemic, provided that a closed business has a good faith plan to reopen;
- (c) a business in operation prior to February 15, 2020;
- (d) a business with no greater than five full-time employees or their equivalent and which cannot be adequately served by the Restart Vermont Emergency Action Grants Program or the Vermont Economic Injury Disaster Loan and Grant Program;
- (e) a business that has not received a grant or loan through the Restart Vermont Emergency Action Grants Program or the Vermont Restart Loan and Grant Program; and

(f) a business with annual gross revenue of less than \$1 million as determined by a submitted tax return for 2018 or 2019.

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

Sec. 5. **Eligible Uses**

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

- (a) Working capital;
- (b) Payment of fixed costs, including mortgage and rent;
- (c) Accounts payable;
- (d) Tax payments;
- (e) Payroll;
- (f) Costs incurred to change business strategy, delivery method, or other operational changes in response to COVID-19 impact;
- (g) Business services, including marketing and consulting;
- (h) Other bills ordinarily paid from on-going operations prior to the COVID-19 pandemic; and
- (i) Loan payments for loans originated before April 1, 2020, where the proceeds were used to support the operations of a business.

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

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

Sec. 6. Ineligible uses

No funds from the Restart Vermont Loan and Grant Program shall be used for any of the following purposes:

- (a) Business expansion not related to COVID 19 impact;
- (b) Physical repairs;
- (c) Acquisition of real property;
- (d) Construction of renewable energy projects;
- (e) Payment of bonuses or dividends; and
- (f) Debt consolidation or refinancing of long-term debt.

Sec. 7. Loan Amounts and Terms

Participating lenders will use their existing capital, and the existing capital of other non-profit lenders and municipalities, to make loans. To be eligible to participate in the Vermont Community Loan Fund loan guarantee program established in Sec. 3 (a) (i) and to use funds appropriated in this Act to subsidize the interest of a loan, each loan must conform to the following criteria:

- (a) Not exceed \$20,000;
- (b) Be a minimum of a five-year term;
- (c) Have an effective interest rate of zero percent;
- (d) Made to a proprietor with a credit score of at least 620. In the event the business has multiple owners, the lender may accept the highest credit score; and

- (e) Made only after a complete application using VCLF’s approved template was submitted by the loan recipient.

Sec. 8. Restart Vermont Grants

Participating lenders will use grants 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 to make grants to businesses impacted by the COVID-19 pandemic. Eligible applicants for a grant must demonstrate:

- (a) They were closed for at least 30 days due to the pandemic; or
- (b) They had a reduction in gross sales of at least 40 percent for 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; and
- (c) They applied for a Small Business Administration Economic Injury Disaster Loan or the Small Business Administration’s Paycheck Protection Program after March 1, 2020; and
- (d) They applied for a loan from a participating lender as described in Section 7.

Sec. 9. Restart Vermont Grant Amounts and Terms

Applicants will apply for a Restart Vermont Grant through a participating lender when they apply for a loan from that lender. Participating lenders may make grants to eligible applicants for the payment of operating expenses in a maximum not greater than \$25,000. Participating lenders will calculate the amount of a grant by employing the following formula as a standard basis for estimating expenses across all Vermont businesses: $(\text{Annual revenues} \times 10\%) \times 25\%$. If an applicant has received a Paycheck Protection Program Loan from the Small Business

Administration, the participating lender shall calculate the amount of a grant using the following formula: $(\text{Annual revenues} \times 10\%) \times 20\%$. If an applicant has received an Economic Injury Disaster Grant from the Small Business Administration, the participating lender must reduce the grant awarded by an amount equal to the grant payment.

PART V: Restart Vermont Technical Support Network Program

Sec.1. Program Creation

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. The Agency will use 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, as well as grant and loan writing support.

Sec. 2. Program Description and Implementation

The Request for Proposals issued by the Agency shall solicit service providers adequately demonstrating their qualifications in areas including but not limited to:

- (a) Operational expertise and ability in helping businesses modernize current operating practices;
- (b) Knowledge and experience in developing digital strategies for retailers needing to establish a more robust and competitive online presence;
- (c) 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;

- (d) 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;
- (e) Technology or software consulting to agricultural producers and manufacturers on the utilization of technology to solve problems; and
- (f) Legal and other professional services experienced in helping businesses develop turnaround plans, including restructuring debt, prioritization of payables, and orderly unwinding businesses.

Sec. 3. Appropriation

The Agency of Commerce and Community Development shall be appropriated \$5 million of 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 to establish a Restart Vermont Technical Support Network as authorized by this act.

HOUSING

PART VI: Vermont Rental Housing Stabilization Fund Program

Sec. 1. Creation of Program

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. Assistance will be distributed directly to the landlords on the tenants' behalf. In developing the Program, the Department shall coordinate with the Agency of Human Services 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.

Sec. 2. 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. The program will use monies from the federal Coronavirus Relief Fund (“CRF”) as appropriated to the State of Vermont pursuant to the Federal CARES Act.

Sec. 3. Administration

The Department shall require any 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. The selection process must ensure equitable approval of applications, and a distribution system that ensures accountability for both the statewide and/or regional housing partner organizations, tenants, and the landlords ultimately receiving the funds.

Sec. 4. Distribution Requirements

The Department shall develop certain 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. Requirements that shall be developed include, but are not limited to, the following:

- (1) limitations for eligibility regarding the earned income of the tenants in comparison to the area median income;
- (2) 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.
- (3) landlords delaying and/or ceasing eviction proceedings for a period of time as a condition of receiving assistance.
- (4) limitations on the number of units owned by any single landlord which may be eligible to receive payments.
- (5) limitations on actual cash benefits, which are 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. 5. Appropriation

The amount of \$42,000,000 is appropriated from the federal Coronavirus Relief Fund as appropriated to the State of Vermont, to the Department of Housing and Community Development to provide funding through the Vermont Rental Housing Stabilization Fund created in __ section __.

PART VII: Vermont Re-Housing Recovery Fund Program

Sec. 1. Statement of Purpose

Due to the COVID-19 pandemic, service providers throughout Vermont have effectively interrupted homelessness by providing non-congregate shelter in various forms. 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 which 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. The program will use monies 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.

Sec. 2. 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/or regional housing partner organizations to provide incentive grants and forgivable loans to eligible applicants.

Sec. 3. Administration

The Department shall require any statewide and/or regional housing partner organizations that receive funding under this program to develop a standard application form that describes the application process and includes clear instructions and examples to help property owners apply; a selection process that ensures equitable selection of property owners; and a grants management system that ensures accountability for funds awarded to property owners.

Sec. 4. Grant and/or Forgivable Loan Requirements

(a) The Department shall determine whether statewide and/or regional housing partner organizations shall issue grants and/or forgivable loans. The Department shall ensure each grant and forgivable loan complies with the following requirements:

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

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

(3) The property owners shall:

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

(B) comply with applicable permit requirements and rental housing health and safety laws;

(4) All affected units must be rented at or below annually published HUD Fair Market Rent for the County or MSA for at least five years or be subject to loan interest penalties and repayment requirements as to be determined and codified by the Department.

(5) If a property owner sells or transfers a property improved with grant and/or forgivable loan funds within 5 years of receiving said 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.

(b) The Department shall also develop requirements regarding the following:

(1) Encouraging/incentivizing Statewide and/or regional housing partner organizations and property owners to work with local Continua of Care organizations.

(2) Limitations on the number of units that any one individual owner may receive funds towards.

(3) Incentivizing the goal that at least 50% of the rehabilitated units serve a person exiting homelessness during the initial lease upon completion of work.

(4) 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.

(5) Requirements and incentives regarding statewide/regional housing partner organizations and property owners working with local continua of care organizations

Sec. 5. **Definitions**

As used in the Vermont Re-housing Recovery Program:

(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. 6. **Appropriation**

The amount of \$8,000,000 is appropriated from the federal Coronavirus Relief Fund as appropriated to the State of Vermont, to the Department of Housing and Community Development to provide funding through the Vermont Re-housing Recovery Fund created in section ##.

TOURISM AND MARKETING

PART VIII: Regional Marketing and Consumer Stimulus Grants

Sec. 1. Program Creation

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

Sec. 2. Appropriation

The Department of Tourism and Marketing shall be appropriated \$3.75 million of 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 to administer Regional Marketing and Consumer Stimulus Grant Program.

Sec. 3. Eligible Uses

The Department will make funding available in the form of grants to encourage Vermonters to patronize local businesses. Eligible uses of the grant funds shall include, but not be limited to:

- (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 program(s).

Sec. 4. Application and Approval Process

The Department of Tourism and Marketing shall conduct a Request for Proposal Process 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. The Department shall encourage local organizations to submit a comprehensive marketing proposal through one organization. The maximum amount of a grant shall not be greater than \$600,000.

PART IX: Restart Vermont Promotional Marketing Campaign

Sec. 1. Creation of the Restart Vermont Promotional Marketing Campaign

The Department of Tourism and Marketing shall develop and conduct a Restart Vermont Promotional Marketing Campaign. The Department will design the promotional marketing campaign to encourage consumer spending in Vermont as the economy reopens and 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.

Sec. 2. Appropriation

The Department of Tourism and Marketing shall be appropriated \$1.25 million of 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 to develop and conduct a Restart Vermont Promotional Marketing Campaign.

Sec. 3. 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.

Sec. 4. Administration of Marketing Campaign

The Department of Tourism and Marketing shall administer the Restart Promotional Marketing Campaign to coordinate and unify promotional and marketing initiatives throughout the State. To assist Vermont communities in marketing and promoting with unified themes and messages, the Department will make available a marketing toolkit of creative assets for use by communities, organizations, and individual businesses.

AGENCY OF AGRICULTURE FOOD AND MARKETS

PART X: Dairy Assistance During the COVID-19 Public Health Emergency

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 Coronavirus Relief Fund authorized in Section 5001 of P.L. 116-136. 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 smalls 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.

Sec. 4. 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.

(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.

AGENCY OF HUMAN SERVICES – EMPLOYEE ASSISTANCE PROGRAM

PART XI: Wellbeing for Small Businesses

Sec. 1. Program Description

The State of Vermont Employee Assistance Program (EAP) through the period ending August 31, 2020 shall be authorized to extend its programs and services to serve businesses in Vermont employing 50 or fewer employees. The State of Vermont's "Invest EAP Centers for Wellbeing" in the Division of Vocational Rehabilitation is an employee assistance program which provides important services to support the health and wellbeing of the Vermont workforce at over 250 businesses that elect to pay for this service.

Sec. 2. Appropriation

The State of Vermont Employee Assistance Program shall be appropriated \$250,000 of 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 to provide financial support to the Invest EAP Centers for Wellbeing in making its services available to small business owners and their employees.

Sec. 3. Services Provided

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. The EAP services will 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. EAP will 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.