

1 Introduced by Committee on Commerce and Economic Development

2 Date:

3 Subject: Commerce and trade; economic development

4 Statement of purpose of bill as introduced: This bill proposes to provide State-
5 funded gap economic recovery grants to eligible businesses that have suffered
6 COVID-19-related loss but have not received necessary economic support
7 from other programs.

8 An act relating to providing gap economic recovery grants

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

10 Sec. 1. GAP ECONOMIC RECOVERY GRANTS; FISCAL YEAR 2021

11 ONE-TIME APPROPRIATION

12 (a) Appropriation.

13 (1) In fiscal year 2021, the amount of \$10,000,000.00 is appropriated
14 from the General Fund to the Agency of Commerce and Community
15 Development to provide gap economic recovery grants to eligible businesses
16 pursuant to this act.

17 (2) The Agency may use not more than five percent of the appropriated
18 funds for the costs of administration, including technical assistance and
19 guidance concerning potential eligibility for federal programs.

1 (b) Eligibility. To be eligible for a grant a business shall meet the
2 following criteria:

3 (1) The business is domiciled or has its primary place of business in
4 Vermont.

5 (2) The business is organized and operated:

6 (A) on a for-profit basis, including a sole proprietor, partnership,
7 limited liability company, business corporation, cooperative, or mutual benefit
8 enterprise; or

9 (B) on a nonprofit or low-profit basis, including a mutual benefit
10 corporation, public benefit corporation, and a low-profit limited liability
11 company.

12 (3) The business is:

13 (A) open for business at the time of application; or

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

16 (4) The business suffered an economic loss due to the COVID-19 public
17 health emergency.

18 (5) At the time the business submits its application to the Agency, the
19 business demonstrates that:

20 (A) the business has applied for the forgivable loans and grants made
21 available through the Paycheck Protection Program, the Economic Injury

1 Disaster Relief Advance program, or other COVID-19-related business
2 financial assistance programs created by, or as modified by, the Consolidated
3 Appropriations Act of 2021, P.L. 116-260, but was denied assistance because
4 the business does not meet the eligibility criteria for any program; or

5 (B) the business has not applied for any such assistance based on a
6 determination by a financial institution or other participating lender, an
7 attorney, an accountant, or another qualified financial professional, that the
8 business is not eligible for such assistance because the business does not meet
9 the eligibility criteria for any program.

10 (c) Amount of grant. A grant shall not exceed the lesser of:

11 (1) three times the eligible business’s fixed monthly expenses for
12 commercial mortgage or rent, insurance, electricity, heat, water, sewer service,
13 telecommunications service, and Internet service; or

14 (2) \$150,000.00.

15 (d) Grant administration; priorities.

16 (1) Beginning on the date the Agency begins accepting applications, for
17 an initial 30-day period the Agency may accept applications from eligible
18 businesses but shall award grants only to eligible businesses that have not
19 received any COVID-19-related assistance from State or federal sources.

20 (2) After the initial 30-day period, the Agency shall continue to accept
21 applications and award grants consistent with the following:

1 (A) The Agency shall give first priority to eligible businesses that
2 have not received any COVID-19-related assistance from State or federal
3 sources.

4 (B) The Agency may exercise its discretion to give subsequent
5 priority to eligible businesses based on whether and the extent to which an
6 eligible business:

7 (i) was unable to operate because of the Governor’s declared state
8 of emergency;

9 (ii) suffered an operating loss;

10 (iii) has received State or federal grants or forgivable loans;

11 (iv) will use funds to reopen or modify its operations to remain
12 open;

13 (v) will use funds to cover fixed operating expenses until the
14 Governor’s declared state of emergency is lifted; and

15 (vi) is the primary source of income for a household.

16 (e) Guidelines. Not later than 10 days after the effective date of this act,
17 the Agency shall publish guidelines governing the implementation of the
18 program, which at minimum shall:

19 (1) establish application and award procedures;

20 (2) establish standards to determine whether an eligible business has its
21 primary place of business in Vermont;

1 (3) establish standards for the use of grant funds;

2 (4) establish procedures to ensure that grant awards comply with the
3 requirements of this section and that the State maintains adequate records to
4 demonstrate compliance with this section;

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

7 (6) establish procedures to ensure that grant applicants comply with
8 State and federal employment and labor laws.

9 (f) Reporting. The Agency shall submit two reports to the committees of
10 jurisdiction detailing the implementation of this section, including specific
11 information concerning the amount, identity, and demographic information of
12 grant recipients, which shall be publicly available:

13 (1) an initial report following the 30-day approval period specified in
14 subdivision (d)(1) of this section; and

15 (2) a final report not later than 30 days after program funds are
16 exhausted.

17 Sec. 2. EFFECTIVE DATE

18 This act shall take effect on passage.