

1       Sec. 3. ECONOMIC RECOVERY BRIDGE GRANTS

2           (a) Purpose.

3           (1) The purpose of this section is to provide bridge funding to  
4           businesses that suffered a tax loss in 2020 and require immediate State aid,  
5           either to remain open or to reopen the business, until additional federal funds  
6           can be deployed and until the economic recovery provides a more stable  
7           stream of revenue to support business operations.

8           (2) The funding in this section is primarily intended for businesses that  
9           have not received prior State or federal financial assistance. Because these  
10          businesses have not benefited from State or federal programs, they are eligible  
11          for grants that will provide funding for fixed operating costs or a threshold  
12          amount in order to ensure they remain viable.

13          (3) To the extent that funds remain available, businesses that have  
14          already received prior State or federal assistance may receive grants under the  
15          program, with priority for those businesses that, after adding to the business's  
16          income the amount of any nontaxable COVID-19-related direct financial  
17          assistance from State or federal sources, the business still would have suffered  
18          a tax loss.

19           (b) Appropriation.

20          (1) In fiscal year 2021, the amount of \$10,000,000.00 is appropriated  
21          from the American Rescue Plan Act of 2021–Coronavirus State Fiscal

1 Recovery Fund to the Agency of Commerce and Community Development to  
2 provide grants to eligible businesses pursuant to this act.

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

6 (3) The Agency shall make best reasonable efforts to conduct outreach,  
7 provide information, and provide necessary assistance for women- and  
8 BIPOC-owned businesses to access grant funds.

9 (c) Eligibility. To be eligible for a grant, a business shall meet the  
10 following criteria:

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

13 (2) The business is organized and operated:

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

17 (B) on a nonprofit or low-profit basis, including a mutual benefit  
18 corporation, public benefit corporation, and a low-profit limited liability  
19 company.

20 (3) The business:

1           (A) is open at the time of application and attests that it will use grant  
2           funds for business-related operations and economic recovery; or

3           (B)(i) is closed at the time of application due to the COVID-19 public  
4           health emergency;

5           (ii) attests that it will use grant funds for resuming its business  
6           operations and economic recovery; and

7           (iii) submits a brief written description of its good faith plan to  
8           reopen.

9           (4) The business suffered a tax loss due to the COVID-19 public health  
10          emergency as evidenced by its federal 2020 income tax return.

11          (5) The business complies with current State health and safety protocols  
12          established by Executive Order.

13          (d) Amount of grant.

14          (1) Subject to subdivision (2) of this subsection, a grant shall not exceed  
15          the lesser of:

16                (A) three times the eligible business’s fixed monthly expenses for  
17                commercial mortgage or rent, insurance, electricity, heat, water, sewer service,  
18                telecommunications service, and Internet service; or

19                (B) \$150,000.00.

20          (2) The Agency may adjust the amount of a grant pursuant to guidelines  
21          it adopts for that purpose based on the amount of any COVID-19-related direct

1 financial assistance that the business has received from State or federal  
2 sources.

3 (e) Grant administration; priorities.

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

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

11 (A) The Agency shall give first priority to eligible businesses that  
12 have not received any COVID-19-related direct financial assistance from State  
13 or federal sources.

14 (B) The Agency shall give subsequent priority to eligible businesses  
15 that, after adding to the business's income the amount of any nontaxable  
16 COVID-19-related direct financial assistance from State or federal sources, the  
17 business still would have suffered a tax loss.

18 (f) Grant administration; use of funds; future grant awards. Any amounts  
19 that remain unspent through the program shall revert to the Agency of  
20 Commerce and Community Development for purposes of supplementing any  
21 future economic recovery grant program established prior to January 1, 2022

1 and, if no program is established, then to the American Rescue Plan Act of  
2 2021 – Coronavirus State Fiscal Recovery Fund.

3 (g) Guidelines. Not later than 10 days after the effective date of this act,  
4 the Agency shall publish guidelines governing the implementation of the  
5 program, which at minimum shall:

6 (1) establish application award procedures and a timeline for accepting  
7 applications;

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

10 (3) establish standards for the use of grant funds for the purpose of  
11 business-related economic recovery;

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

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

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

19 (h) Reporting. The Agency shall submit two reports to the House  
20 Committees on Appropriations and on Commerce and Economic Development  
21 and the Senate Committees on Appropriations and on Economic Development,

1 Housing and General Affairs detailing the implementation of this section,  
2 including specific information concerning the amount, identity, and  
3 demographic information of grant recipients, which shall be publicly available:

4 (1) an initial report following the 30-day approval period specified in  
5 subdivision (e)(1) of this section; and

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

8 (i) Auditing; compliance. The Agency shall include in all grant awards  
9 standard audit provisions, substantially similar to the audit provisions included  
10 pursuant to Administrative Bulletins 3.5 and 5.0, that provide that records  
11 pertaining to grant awards shall be retained and remain subject to audit and  
12 inspection by the Agency and the State Auditor of Accounts for a period of  
13 time specified by the Agency.

14 (j) Recapture. The Agency shall include in all grant awards standard  
15 recapture provisions, which shall include that a grant award may be subject to  
16 recapture if a recipient is found to be ineligible for the award or to have used  
17 an award for an ineligible purpose, consistent with the guidelines the Agency  
18 adopts pursuant to subsection (g) of this section.

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20 Sec. 3b. VERMONT MICROBUSINESS DEVELOPMENT FUNDING

21 The sum of \$500,000.00 is appropriated from the American Rescue Plan

1 Act of 2021–Coronavirus State Fiscal Recovery Fund in fiscal year 2021 to the  
2 Department for Children and Families, Office of Economic Opportunity, to be  
3 granted to the Community Action Agencies for the Statewide Community  
4 Action Network’s Economic Micro Business Recovery Assistance for the  
5 COVID-19 Epidemic (EMBRACE) to assist the Vermont microbusiness  
6 owners impacted by COVID-19 and for new businesses started by individuals  
7 who have been impacted by the COVID-19 pandemic through layoffs,  
8 furloughs, reduced hours, or due to being employed in an industry that has  
9 been severely affected.