

1 Introduced by House Committee on Commerce and Economic Development
2 Referred to Committee on
3 Date:
4 Subject: Commerce and trade; economic development
5 Statement of purpose of bill as introduced: This bill proposes to provide State-
6 funded gap economic recovery grants to eligible businesses that have suffered
7 COVID-19-related loss but have not received necessary economic support
8 from other programs.

9 An act relating to providing gap economic recovery grants

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

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

12 ONE-TIME APPROPRIATION

13 (a) Appropriation.

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

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

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

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

8 (2) The business is organized and operated:

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

12 (B) on a nonprofit or low-profit basis, including a mutual benefit
13 corporation, public benefit corporation, and a low-profit limited liability
14 company.

15 (3) The business is:

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

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

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

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

3 (A) the business has applied for the forgivable loans and grants made
4 available through the Paycheck Protection Program, the Economic Injury
5 Disaster Relief Advance program, or other COVID-19-related business
6 financial assistance programs created by, or as modified by, the Consolidated
7 Appropriations Act of 2021, P.L. 116-260, but was denied assistance because
8 the business does not meet the eligibility criteria for any program; or

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

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

15 (1) three times the eligible business's fixed monthly expenses for
16 commercial mortgage or rent, insurance, and electricity, heat, water and sewer
17 service, telecommunications service, and internet service; or

18 (2) \$150,000.00.

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1 (d) Grant administration; priorities.

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

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

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

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

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

16 (ii) suffered an operating loss;

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

18 (iv) will use funds to reopen or modify its operations to remain
19 open;

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

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

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

5 (1) establish application and award procedures;

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

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

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

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

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

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

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

1 (2) not later than 30 days after program funds are exhausted.

2 Sec. 2. EFFECTIVE DATE

3 This act shall take effect on passage.