

1 Introduced by House Committee on Commerce and Economic Development

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3 Sec. 1. GAP ECONOMIC RECOVERY GRANTS; FY 2021 ONE-TIME

4 APPROPRIATION

5 (a) Appropriation. The amount of \$10,000,000.00 is appropriated from the
6 General Fund to the Agency of Commerce and Community Development to
7 provide grants to businesses that:

8 (1) have experienced financial losses due to the COVID-19 public
9 health emergency and related restrictions under the Governor's declared state
10 of emergency; and

11 (2) have not been eligible, or are not eligible, for State or federal grant
12 programs introduced since March 2020.

13 ~~(b) Eligibility. To be eligible for a grant a business shall meet the~~
14 ~~following criteria:~~

15 ~~(1) The business is domiciled or has its primary place of business in~~
16 ~~Vermont.~~

17 ~~(2) The business is organized and operated:~~

18 ~~(A) on a for profit basis, including a sole proprietor, partnership,~~
19 ~~limited liability company, business corporation, cooperative, or mutual benefit~~
20 ~~enterprise; or~~

1 ~~(B) on a nonprofit or low-profit basis, including a mutual benefit~~
2 ~~corporation, public benefit corporation, and a low-profit limited liability~~
3 ~~company.~~

4 ~~(3) The business is:~~

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

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

8 ~~(4) The business has suffered economic loss due to the COVID-19~~
9 ~~public health emergency and economic crisis.~~

10 (b) Grants; administration.

11 ~~(1) The Agency shall award grants on a first come, first served basis,~~
12 ~~except that for the first 30 days of the program, the Agency shall give priority~~
13 ~~to eligible businesses that began operation or were acquired after February 15,~~
14 ~~2020; and~~

15 ~~(2) After the first 30 days of the program, the Agency may exercise its~~
16 ~~discretion in prioritizing grants based one or more of the following factors:~~

17 ~~(A) whether a business was unable to operate because of the~~
18 ~~Governor's declared state of emergency;~~

19 ~~(B) whether a business suffered an operating loss;~~

20 ~~(C) whether a business was unable to obtain grants or loans that may~~
21 ~~be later forgiven;~~

1 ~~(D) whether a business will use funds to reopen or modify its~~
2 ~~operations to remain open;~~

3 ~~(E) whether a business will use funds to cover payroll and personnel~~
4 ~~costs or fixed operating expenses until the Governor's declared state of~~
5 ~~emergency is lifted;~~

6 ~~(F) whether the business is the primary source of income for a~~
7 ~~household.~~

8 (1) The amount of a grant shall not exceed the **lesser** of:

9 **(A) three times the business's fixed monthly expenses for**
10 **commercial mortgage or rent, utilities, insurance, and supplies required to**
11 **operate during the state of emergency; or**

12 **(B) \$150,000.00.**

13 (2) **The Agency may use not more than two percent of the funds**
14 **appropriated for administration of grants.**

15 (d) Guidelines. Not later than ten days after the effective date of this act,
16 the Agency shall publish guidelines governing the implementation of the
17 program **and to prioritize grants based on the degree to which a business,**
18 ~~which at minimum shall:~~

19 ~~(1) establish application and award procedures;~~

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

1 ~~(3) establish standards for eligible uses of grant funds;~~

2 ~~(4) establish standards governing the amount of grant awards:~~

3 ~~(A) to ensure the equitable distribution of funds among regions and~~
4 ~~among business types, sizes, and sectors; and~~

5 ~~(B) to ensure that grants are based on need and will have a~~
6 ~~meaningful impact on the business's continued viability;~~

7 ~~(5) establish procedures to ensure that grant awards comply with the~~
8 ~~requirements of this section and that the State maintains adequate records to~~
9 ~~demonstrate compliance with this section;~~

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

12 ~~(7) establish procedures to ensure that grant applicants are in~~
13 ~~compliance with State and federal employment and labor laws.~~

14 ~~(e) Reporting. The Agency shall:~~

15 ~~(1) provide weekly updates and information concerning grant~~
16 ~~guidelines, awards, and implementation to the committees of jurisdiction of the~~
17 ~~General Assembly; and~~

18 ~~(2) submit a report to the General Assembly on or before August 15,~~
19 ~~2021 detailing the implementation of this section, including specific~~
20 ~~information concerning the amount and identity of grant recipients, which shall~~
21 ~~be publicly available.~~

- 1 (1) was unable to operate because the Governor’s declared state of
- 2 emergency;
- 3 (2) suffered an operating loss;
- 4 (3) was unable to obtain grants or loans that may later be forgiven
- 5 (4) is the primary source of income for a household;
- 6 (4) will use the funds to reopen or modify its operations to remain open;
- 7 and
- 8 (5) will use the funds to cover fixed operating expenses until the state of
- 9 emergency is ended.