

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 non-taxable 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. A grant shall not exceed the lesser of:

14 (1) three times the eligible business's fixed monthly expenses for
15 commercial mortgage or rent, insurance, electricity, heat, water, sewer service,

16 telecommunications service, and Internet service; or

17 (2) \$150,000.00.

18 (e) Grant administration; priorities.

19 (1) Beginning on the date the Agency begins accepting applications, for
20 an initial 30-day period, the Agency may accept applications from eligible
21 businesses but shall award grants only to eligible businesses that have not

1 received any COVID-19-related direct financial assistance from State or
2 federal sources.

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

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

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

12 (f) Grant administration; use of funds; future grant awards. Any amounts
13 that remain unspent through the program shall revert to the Agency of
14 Commerce and Community Development for purposes of supplementing any
15 future economic recovery grant program established prior to January 1, 2022,
16 and if no program is established, then to the General Fund.

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

20 (1) establish application award procedures, and a timeline for accepting
21 applications;

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

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

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

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

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

12 (h) Reporting. The Agency shall submit two reports to the House
13 Committees on Appropriations and on Commerce and Economic Development
14 and the Senate Committees on Appropriations and on Economic Development,
15 Housing and General Affairs detailing the implementation of this section,
16 including specific information concerning the amount, identity, and
17 demographic information of grant recipients, which shall be publicly available:

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

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

1 (i) Auditing; compliance. The Agency shall include in all grant awards
2 standard audit provisions, substantially similar to the audit provisions included
3 pursuant to administrative bulletins 3.5 and 5.0, that provide that records
4 pertaining to grant awards shall be retained and remain subject to audit and
5 inspection by the Agency and the State Auditor of Accounts for a period of
6 time specified by the Agency.

7 (j) Recapture. The Agency shall include in all grant awards standard
8 recapture provisions, which shall include that a grant award may be subject to
9 recapture if a recipient is found to be ineligible for the award or to have used
10 an award for an ineligible purpose, consistent with the guidelines the Agency
11 adopts pursuant to subsection (e) of this section.

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13 Sec. 3b. VERMONT MICROBUSINESS DEVELOPMENT FUNDING

14 The sum of \$500,000.00 is appropriated from the American Rescue Plan
15 Act of 2021 - Coronavirus State Fiscal Recovery Fund in fiscal year 2021 to
16 Department for Children and Families, Office of Economic Opportunity, to be
17 granted to the Community Action Agencies for the Statewide Community
18 Action Network's Economic Micro Business Recovery Assistance for the
19 COVID-19 Epidemic (EMBRACE) to assist the Vermont microbusiness
20 owners impacted by COVID-19 and for new businesses started by individuals
21 who have been impacted by the COVID-19 pandemic through layoffs,

- 1 furloughs, reduced hours, or due to being employed in an industry that has
- 2 been severely affected.