

1 Sec. 3. **AMERICAN RESCUE PLAN; ECONOMIC RECOVERY GRANTS**

2 (a) Appropriation.

3 (1) In fiscal year 2021, the amount of \$10,000,000.00 is appropriated
4 from the American Rescue Plan Act of 2021 – Coronavirus State Fiscal
5 Recovery Fund to the Agency of Commerce and Community Development to
6 provide grants to eligible businesses pursuant to this act.

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

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

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 attests that it will use grant funds for business-related
5 operations and economic recovery and that:

6 (A) the business is open at the time of application; or

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

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

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

13 (c) 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 (d) 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 may exercise its discretion to give subsequent
9 priority to eligible businesses based on whether and the extent to which an
10 eligible business:

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

13 (ii) has received State or federal grants or forgivable loans;

14 (iii) will use funds to reopen or modify its operations to remain
15 open;

16 (iv) will use funds to cover fixed operating expenses until the
17 Governor’s declared state of emergency is lifted; and

18 (v) is the primary source of income for a household.

19 (e) Grant administration; use of funds; future grant awards. Any amounts
20 that remain unspent through the program shall revert to the Agency of
21 Commerce and Community Development for purposes of supplementing any

1 future economic recovery grant program established prior to January 1, 2022,
2 and if no program is established, then to the General Fund.

3 (f) Guidelines. Not later than 10 days after the effective date of this act, the
4 Agency shall publish guidelines governing the implementation of the program,
5 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 (g) 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 (d)(1) of this section; and

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

8 (h) 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 (i) 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 (e) 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
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 separated from work because of COVID-19.