COVID-19 FINANCIAL RELIEF FUNDING

2020 THIRD SPECIAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: Mike Schultz

LONG TITLE

General Description:

This bill funds new and existing programs and services related to relieving economic injury to individuals and businesses affected by COVID-19.

Highlighted Provisions:

This bill:

- defines terms;
- directs the Conservation Commission to make grants to agricultural operations that are financially harmed as a result of measures taken to minimize the public's exposure to COVID-19;
- requires the Conservation Commission to report to the Natural Resources, Agriculture, and Environment Interim Committee regarding grants made to agricultural operations;
- directs the Department of Workforce Services to assist state residents financially harmed by COVID-19 to retain or obtain housing using certain funds;
- directs the Governor's Office of Economic Development to establish and administer a COVID-19 Commercial Rental Assistance Program that grants rental relief to certain businesses that have lost revenue as a result of measures taken to minimize the public's exposure to COVID-19;
- requires the Department of Workforce Services to report to the Economic Development and Workforce Services Interim Committee regarding funds spent to assist state residents; and
- requires the Governor's Office of Economic Development to report to the

Legislature regarding the COVID-19 Commercial Rental Assistance Program.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

This bill provides a repeal date.

Utah Code Sections Affected:

ENACTS:

4-18-106.1, Utah Code Annotated 1953

35A-8-2301, Utah Code Annotated 1953

35A-8-2302, Utah Code Annotated 1953

35A-8-2303, Utah Code Annotated 1953

63N-14-101, Utah Code Annotated 1953

63N-14-102, Utah Code Annotated 1953

63N-14-201, Utah Code Annotated 1953

63N-14-202, Utah Code Annotated 1953

63N-14-203, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **4-18-106.1** is enacted to read:

4-18-106.1. COVID-19 Agricultural Operations Grant Program.

(1) As used in this section:

(a) "CARES Act" means the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. 116-136.

(b) "COVID-19" means:

(i) severe acute respiratory syndrome coronavirus 2; or

(ii) the disease caused by severe acute respiratory syndrome coronavirus 2.

(c) "COVID-19 emergency" means the spread of COVID-19 that the World Health

Organization declared a pandemic on March 11, 2020.

(d) "Program" means the COVID-19 Agricultural Operations Grant Program established in Subsection (2).

(2) The commission shall establish and administer a COVID-19 Agricultural Operations Grant Program to ensure in this state the continuation of food and fiber production, the maintenance of product supply chains, and the ability to get products to market during and immediately following the COVID-19 emergency.

(3) (a) Under the program, the commission may make a grant:

(i) to an agricultural operation that:

(A) on or after March 1, 2020, but on or before December 30, 2020, is financially harmed as a result of federal, state, or local public health measures taken to minimize the public's exposure to COVID-19; and

(B) does not receive funds from the COVID-19 Commercial Rental Assistance Program established in Title 63N, Chapter 14, COVID-19 Commercial Rental Assistance Program;

(ii) for the purpose of assisting an agricultural operation with the financial harm described in Subsection (3)(a)(i), including measures to continue food and fiber production in the state, maintain the agricultural operation's supply chains, or deliver the agricultural operation's product to market; and

(iii) in an amount not to exceed $40,000.

(b) The commission may utilize the board appointed in Section 4-18-106 to:

(i) oversee the award process for grants, as described in this section; and

(ii) approve grants.

(4) (a) Upon application for a grant described in this section, an agricultural operation shall disclose whether the agricultural operation has received or applied for funds from the Paycheck Protection Program described in the CARES Act.

(b) An agricultural operation that receives funds between February 15, 2020, and June 30, 2020, from the Paycheck Protection Program described in the CARES Act, is only eligible

to receive a grant under this section in an amount not to exceed $20,000.

(c) An agricultural operation described in Subsection (4)(b) that receives more than the amount for which the agricultural operation is eligible under Subsection (4)(b) shall return to the commission any funds for which the agricultural operation is not eligible.

(5) Grants the commission makes in accordance with this section shall be made using funds:

(a) the state receives from the Coronavirus Relief Fund described in the CARES Act;

(b) the Legislature appropriates; and

(c) in a total amount not to exceed $20,000,000.

(6) The commission may make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to carry out the provisions of this section.

(7) This section supersedes any conflicting provisions of Utah law.

(8) The commission shall provide a report to the Natural Resources, Agriculture, and Environment Interim Committee before May 15, 2021, regarding grants made under this section, including:

(a) the number of applications submitted to receive a grant under the program;

(b) the number of grants awarded under the program;

(c) the amount of money granted under the program; and

(d) any other information the commission considers relevant to evaluating the success of the program.

Section 2. Section **35A-8-2301** is enacted to read:

Part 23. COVID-19 Residential Housing Assistance

35A-8-2301. Definitions.

As used in this part, "COVID-19" means:

(1) severe acute respiratory syndrome coronavirus 2; or

(2) the disease caused by severe acute respiratory syndrome coronavirus 2.

Section 3. Section **35A-8-2302** is enacted to read:

35A-8-2302. COVID-19 residential housing assistance -- Rulemaking.

(1) Beginning August 1, 2020, the division shall assist state residents financially harmed on or after March 1, 2020, but on or before December 30, 2020, by COVID-19 retain or obtain housing:

(a) through a new or existing housing-related program or service; and

(b) using funds:

(i) the state receives from the Coronavirus Relief Fund described in the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. 116-136;

(ii) the Legislature appropriates; and

(iii) in a total amount not to exceed $20,000,000.

(2) The division shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for any new program or service the division establishes to carry out the provisions of this part.

Section 4. Section **35A-8-2303** is enacted to read:

35A-8-2303. Reporting.

The division shall provide a report to the Economic Development and Workforce Services Interim Committee before May 15, 2021, regarding money used under this part, including:

(1) the amount of money used to carry out the provisions of this part;

(2) the number of individuals and families served under this part;

(3) the programs and services used to serve state residents in accordance with this part; and

(4) any other information the division considers relevant to evaluating assistance provided to state residents in accordance with this part.

Section 5. Section **63N-14-101** is enacted to read:

CHAPTER 14. COVID-19 COMMERCIAL RENTAL ASSISTANCE PROGRAM

Part 1. General Provisions

63N-14-101. Title.

This chapter is known as "COVID-19 Commercial Rental Assistance Program."

Section 6. Section **63N-14-102** is enacted to read:

63N-14-102. Definitions.

As used in this chapter:

(1) "Business entity" means a business that:

(a) employs fewer than 100 employees;

(b) has the business's principal place of business in this state;

(c) was in operation on February 15, 2020; and

(d) (i) is properly registered with the Division of Corporations and Commercial Code;

(ii) is tax exempt under Section 501(c)(3) or (19) of the Internal Revenue Code;

(iii) is a Tribal business concern described in 15 U.S.C. Sec. 657a (b)(2)(C); or

(iv) is an individual who:

(A) operates under a sole proprietorship;

(B) operates as an independent contractor; or

(C) is self-employed.

(2) "CARES Act" means the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. 116-136.

(3) "COVID-19" means:

(a) severe acute respiratory syndrome coronavirus 2; or

(b) the disease caused by severe acute respiratory syndrome coronavirus 2.

(4) "Program" means the COVID-19 Commercial Rental Assistance Program established in Section 63N-14-201.

(5) "Qualified business entity" means a business entity that:

(a) is a lessee of commercial property in the state for the purpose of conducting the business entity's business on the property;

(b) demonstrates to the office that the business entity lost at least 50% of the business entity's monthly gross revenue:

(i) for a four-week period:

(A) beginning on or after March 1, 2020; and

(B) ending on or before December 30, 2020; and

(ii) as a result of federal, state, or local public health measures taken to minimize the public's exposure to COVID-19; and

(c) does not receive funds from the COVID-19 Agricultural Operations Grant Program established in Section 4-18-106.1.

(6) (a) "Rent" means the amount under a rental agreement that a business entity owes a lessor for the right to occupy commercial property.

(b) "Rent" does not include a charge or fee for a utility the lessor furnishes in accordance with a rental agreement.

Section 7. Section **63N-14-201** is enacted to read:

Part 2. COVID-19 Commercial Rental Assistance

63N-14-201. Creation of the COVID-19 Commercial Rental Assistance Program.

(1) The office shall establish and administer a COVID-19 Commercial Rental Assistance Program in accordance with this chapter.

(2) In administering the program, the office:

(a) shall accept applications for commercial rental assistance;

(b) shall determine whether an applicant for commercial rental assistance is a qualified business entity; and

(c) subject to Subsection (3), may grant a single month of rental assistance to an applicant that is a qualified business entity, in an amount not to exceed the lesser of:

(i) $10,000; or

(ii) (A) if the qualified business entity demonstrates a monthly gross revenue loss of 50% or greater, but less than 71%, an amount equal to 50% of the qualified business entity's monthly rent; or

(B) if the qualified business entity demonstrates a monthly gross revenue loss of 71% or greater, an amount equal to 100% of the qualified business entity's monthly rent.

(3) (a) Upon application, a business entity shall disclose whether the business entity has received or applied for funds from the Paycheck Protection Program described in the

CARES Act.

(b) A qualified business entity that receives funds between February 15, 2020, and June 30, 2020, from the Paycheck Protection Program described in the CARES Act, is only eligible under this chapter to receive a single month of rental assistance, in an amount not to exceed the lesser of:

(i) $5,000; or

(ii) (A) if the qualified business entity demonstrates a monthly gross revenue loss of 50% or greater, but less than 71%, an amount equal to 25% of the qualified business entity's monthly rent; or

(B) if the qualified business entity demonstrates a monthly gross revenue loss of 71% or greater, an amount equal to 50% of the qualified business entity's monthly rent.

(c) A qualified business entity described in Subsection (3)(b) that receives more than the amount for which the qualified business entity is eligible under Subsection (3)(b) shall return to the office any funds for which the qualified business entity is not eligible.

(4) To demonstrate gross revenue loss, a business entity shall submit to the office:

(a) an affidavit that the business entity has lost at least 50% of the business entity's monthly gross revenue as a result of federal, state, or local public health measures taken to minimize the public's exposure to COVID-19;

(b) the business entity's two most recent state or federal tax returns;

(c) revenue reports for 2019 and the four months immediately preceding the day on which the business entity submits an application under the program; and

(d) anything else the office requires.

(5) The office shall provide rental assistance in accordance with this chapter using funds:

(a) the state receives from the Coronavirus Relief Fund described in the CARES Act;

(b) the Legislature appropriates; and

(c) in a total amount not to exceed $40,000,000.

Section 8. Section **63N-14-202** is enacted to read:

63N-14-202. Conflicting provisions -- Rulemaking.

(1) This chapter supersedes any conflicting provisions of Utah law.

(2) The office may make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to carry out the provisions of this chapter, including the method for determining a business entity's loss of gross revenue.

Section 9. Section **63N-14-203** is enacted to read:

63N-14-203. Reporting.

The office shall include the following in the office's annual report to the governor and the Legislature regarding the program established under this chapter:

(1) the number of applications submitted under the program;

(2) the number of grants awarded under the program;

(3) the amount of money granted under the program; and

(4) any other information the division considers relevant to evaluating the success of the program.

Section 10. **Effective date.**

If approved by two-thirds of all the members elected to each house, this bill takes effect upon approval by the governor, or the day following the constitutional time limit of Utah Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto, the date of veto override.

Section 11. **Repeal date.**

This bill is repealed on May 31, 2021.