RENT AND MORTGAGE ASSISTANCE AMENDMENTS

2020 FIFTH SPECIAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: Mike Schultz

LONG TITLE

General Description:

This bill modifies provisions related to residential housing assistance and commercial rental assistance.

Highlighted Provisions:

This bill:

- modifies the date when the Housing and Community Development Division may provide certain residential housing assistance for state residents financially harmed as a result of the COVID-19 pandemic;
- modifies provisions of the COVID-19 Commercial Rental Assistance Program administered by the Governor's Office of Economic Development, including:
  - modifying definitions; and
  - modifying the requirements to receive assistance under the program and the amounts of rental assistance that may be provided; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

35A-8-2302 **(Repealed 05/31/21)**, as enacted by Laws of Utah 2020, Third Special Session, Chapter 11

63N-14-102 **(Repealed 05/31/21)**, as enacted by Laws of Utah 2020, Third Special Session, Chapter 11

63N-14-201 **(Repealed 05/31/21)**, as enacted by Laws of Utah 2020, Third Special Session, Chapter 11

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

Section 1. Section **35A-8-2302 (Repealed 05/31/21)** is amended to read:

35A-8-2302 (Repealed 05/31/21). COVID-19 residential housing assistance -- Rulemaking.

(1) [~~Beginning August 1, 2020, the~~] The division shall assist qualifying state residents financially harmed on or after March 1, 2020, but on or before December 30, 2020, by COVID-19 to 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 or modifies to carry out the provisions of this part, including rules related to the application process and requirements for a state resident to qualify for assistance under this part.

Section 2. Section **63N-14-102 (Repealed 05/31/21)** is amended to read:

63N-14-102 (Repealed 05/31/21). Definitions.

As used in this chapter:

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

(a) employs fewer than the equivalent of 100 full-time employees;

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

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

[~~(d)~~] (c) (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%~~] 30% 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 3. Section **63N-14-201 (Repealed 05/31/21)** is amended to read:

63N-14-201 (Repealed 05/31/21). 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 beginning on or after May 11, 2020, 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.~~]

(c) subject to Subsection (3), may grant up to two months of rental assistance per location for an applicant that is a qualified business entity in the following amounts:

(i) if the qualified business entity demonstrates a monthly gross revenue loss of 30% or greater, but less than 45%, an amount equal to 50% of the qualified business entity's monthly rent; or

(ii) if the qualified business entity demonstrates a monthly gross revenue loss of 45% or greater, an amount equal to 100% of the qualified business entity's monthly rent.

(3) Notwithstanding the amounts described in Subsection (2)(c), the total maximum amount of rental assistance that may be provided for rental assistance under the program may be no more than:

(a) $15,000 for a qualified business entity with one location; or

(b) $30,000 for a qualified business entity with more than one location, with no more than $5,000 awarded per month for any one location.

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

(a) [~~an affidavit~~] a signed attestation that the business entity has lost at least [~~50%~~] 30% 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; and

[~~(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.~~]

(b) any additional information or documentation required by the office as determined by the office.

(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 4. **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.