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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 creates a program and funds existing programs and services related to relieving economic injury to individuals and businesses affected by COVID-19.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ permits the Conservation Commission to make loans from the Agriculture Resource Development Fund to agricultural operations that are financially harmed as a direct result of measures taken to minimize the public's exposure to COVID-19;
- ▶ 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 direct 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.



28 **Money Appropriated in this Bill:**

29 None

30 **Other Special Clauses:**

31 This bill provides a special effective date.

32 This bill provides a repeal date.

33 **Utah Code Sections Affected:**

34 ENACTS:

- 35 **4-18-106.1**, Utah Code Annotated 1953
- 36 **35A-8-2301**, Utah Code Annotated 1953
- 37 **35A-8-2302**, Utah Code Annotated 1953
- 38 **35A-8-2303**, Utah Code Annotated 1953
- 39 **63N-14-101**, Utah Code Annotated 1953
- 40 **63N-14-102**, Utah Code Annotated 1953
- 41 **63N-14-201**, Utah Code Annotated 1953
- 42 **63N-14-202**, Utah Code Annotated 1953
- 43 **63N-14-203**, Utah Code Annotated 1953



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

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

47 **4-18-106.1. COVID-19 relief loans.**

48 (1) As used in this section, "COVID-19" means:

49 (a) severe acute respiratory syndrome coronavirus 2; or

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

51 (2) The commission may make loans from the Agriculture Resource Development
52 Fund created in Section 4-18-106 to an agricultural operation that is financially harmed as a
53 direct result of federal, state, or local public health measures taken to minimize the public's
54 exposure to COVID-19.

55 (3) A loan the commission makes in accordance with Subsection (2) shall:

56 (a) be in an amount not to exceed \$150,000;

57 (b) be at an interest rate of 0%; and

58 (c) have a three-year maximum repayment schedule.

- 59 (4) The commission shall make loans described in Subsection (2) using funds:
- 60 (a) the state receives from the Coronavirus Relief Fund described in the Coronavirus
- 61 Aid, Relief, and Economic Security Act, Pub. L. 116-136;
- 62 (b) the Legislature appropriates; and
- 63 (c) in a total amount not to exceed \$20,000,000.
- 64 (5) At the end of each fiscal year, the commission shall transfer all payments made on
- 65 loans made under this section to the General Fund.
- 66 (6) This section supersedes any conflicting provisions of Utah law.

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

68 **Part 23. COVID-19 Residential Housing Assistance**

69 **35A-8-2301. Definitions.**

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

- 71 (1) severe acute respiratory syndrome coronavirus 2; or
- 72 (2) the disease caused by severe acute respiratory syndrome coronavirus 2.

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

74 **35A-8-2302. COVID-19 residential housing assistance -- Rulemaking.**

75 (1) Beginning August 1, 2020, the division shall assist state residents financially
76 harmed by COVID-19 retain or obtain housing:

- 77 (a) through a new or existing housing-related program or service; and
- 78 (b) using funds:

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

- 81 (ii) the Legislature appropriates; and
- 82 (iii) in a total amount not to exceed \$20,000,000.

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

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

87 **35A-8-2303. Reporting.**

88 The division shall provide a report to the Economic Development and Workforce
89 Services Interim Committee before December 31, 2020, regarding money used under this part,

90 including:

- 91 (1) the amount of money used to carry out the provisions of this part;
- 92 (2) the number of individuals and families served under this part;
- 93 (3) the programs and services used to serve state residents in accordance with this part;

94 and

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

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

98 **CHAPTER 14. COVID-19 COMMERCIAL RENTAL ASSISTANCE PROGRAM**

99 **Part 1. General Provisions**

100 **63N-14-101. Title.**

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

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

103 **63N-14-102. Definitions.**

104 As used in this chapter:

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

- 106 (a) employs fewer than 100 employees;
- 107 (b) has the business's principal place of business in this state;
- 108 (c) was in operation on February 15, 2020; and
- 109 (d) (i) is a small business concern as defined in 15 U.S.C. Sec. 632;
- 110 (ii) is tax exempt under Section 501(c)(3) or (19) of the Internal Revenue Code;
- 111 (iii) is a Tribal business concern described in 15 U.S.C. Sec. 657a (b)(2)(C); or
- 112 (iv) is an individual who:

113 (A) operates under a sole proprietorship;

114 (B) operates as an independent contractor; or

115 (C) is self-employed.

116 (2) "CARES Act" means the Coronavirus Aid, Relief, and Economic Security Act,

117 Pub. L. 116-136.

118 (3) "COVID-19" means:

119 (a) severe acute respiratory syndrome coronavirus 2; or

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

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

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

124 (a) leases commercial property in the state for the purpose of conducting the business
125 entity's business; and

126 (b) demonstrates to the office, through affidavit and any additional information the
127 office requires, that the business entity has lost at least 50% of the business entity's monthly
128 gross revenue:

129 (i) for a four-week period beginning on or after February 1, 2020; and

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

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

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

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

137 **Part 2. COVID-19 Commercial Rental Assistance**

138 **63N-14-201. Creation of the COVID-19 Commercial Rental Assistance Program.**

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

141 (2) In administering the program, the office:

142 (a) shall accept applications for commercial rental assistance;

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

145 (c) subject to Subsection (3), may grant a single month of rental assistance to an
146 applicant that is a qualified business, in an amount up to the lesser of:

147 (i) \$10,000; or

148 (ii) (A) if the qualified business entity demonstrates a monthly gross revenue loss of
149 50% or greater, but less than 71%, an amount equal to 50% of the qualified business entity's
150 monthly rent; or

151 (B) if the qualified business entity demonstrates a monthly gross revenue loss of 71%

152 or greater, an amount equal to 100% of the qualified business entity's monthly rent.

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

156 (b) A qualified business entity that receives funds between February 15, 2020, and June
157 30, 2020, from the Paycheck Protection Program described in the CARES Act, is only eligible
158 under this section to receive a single month of rental assistance, in an amount up to the lesser
159 of:

160 (i) \$5,000; or

161 (ii) (A) if the qualified business entity demonstrates a monthly gross revenue loss of
162 50% or greater, but less than 71%, an amount equal to 25% of the qualified business entity's
163 monthly rent; or

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

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

169 (4) The office shall provide rental assistance in accordance with this section using
170 funds:

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

172 (b) the Legislature appropriates; and

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

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

175 **63N-14-202. Conflicting provisions -- Rulemaking.**

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

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

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

181 **63N-14-203. Reporting.**

182 The office shall include the following in the office's annual report to the governor and

183 the Legislature regarding the program established under this chapter:

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

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

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

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

188 the program.

189 Section 10. **Effective date.**

190 If approved by two-thirds of all the members elected to each house, this bill takes effect

191 upon approval by the governor, or the day following the constitutional time limit of Utah

192 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,

193 the date of veto override.

194 Section 11. **Repeal dates.**

195 (1) Section [4-18-106.1](#) is repealed on December 31, 2023.

196 (2) The following sections are repealed on January 1, 2021:

197 (a) Section [35A-8-2301](#);

198 (b) Section [35A-8-2302](#);

199 (c) Section [35A-8-2303](#);

200 (d) Section [63N-14-101](#);

201 (e) Section [63N-14-102](#);

202 (f) Section [63N-14-201](#);

203 (g) Section [63N-14-202](#); and

204 (h) Section [63N-14-203](#).