

Senator Lincoln Fillmore proposes the following substitute bill:

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;



26 ▶ requires the Department of Workforce Services to report to the Economic
27 Development and Workforce Services Interim Committee regarding funds spent to
28 assist state residents; and

29 ▶ requires the Governor's Office of Economic Development to report to the
30 Legislature regarding the COVID-19 Commercial Rental Assistance Program.

31 **Money Appropriated in this Bill:**

32 None

33 **Other Special Clauses:**

34 This bill provides a special effective date.

35 This bill provides a repeal date.

36 **Utah Code Sections Affected:**

37 ENACTS:

38 **4-18-106.1**, Utah Code Annotated 1953

39 **35A-8-2301**, Utah Code Annotated 1953

40 **35A-8-2302**, Utah Code Annotated 1953

41 **35A-8-2303**, Utah Code Annotated 1953

42 **63N-14-101**, Utah Code Annotated 1953

43 **63N-14-102**, Utah Code Annotated 1953

44 **63N-14-201**, Utah Code Annotated 1953

45 **63N-14-202**, Utah Code Annotated 1953

46 **63N-14-203**, Utah Code Annotated 1953



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

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

50 **4-18-106.1. COVID-19 Agricultural Operations Grant Program.**

51 (1) As used in this section:

52 (a) "CARES Act" means the Coronavirus Aid, Relief, and Economic Security Act,

53 Pub. L. 116-136.

54 (b) "COVID-19" means:

55 (i) severe acute respiratory syndrome coronavirus 2; or

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

57 (c) "COVID-19 emergency" means the spread of COVID-19 that the World Health
58 Organization declared a pandemic on March 11, 2020.

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

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

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

66 (i) to an agricultural operation that:

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

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

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

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

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

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

80 (ii) approve grants.

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

84 (b) An agricultural operation that receives funds between February 15, 2020, and June
85 30, 2020, from the Paycheck Protection Program described in the CARES Act, is only eligible
86 to receive a grant under this section in an amount not to exceed \$20,000.

87 (c) An agricultural operation described in Subsection (4)(b) that receives more than the

88 amount for which the agricultural operation is eligible under Subsection (4)(b) shall return to
89 the commission any funds for which the agricultural operation is not eligible.

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

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

93 (b) the Legislature appropriates; and

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

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

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

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

100 section, including:

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

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

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

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

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

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

108 **35A-8-2301. Definitions.**

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

110 (1) severe acute respiratory syndrome coronavirus 2; or

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

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

113 **35A-8-2302. COVID-19 residential housing assistance -- Rulemaking.**

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

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

118 (b) using funds:

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

121 (ii) the Legislature appropriates; and

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

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

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

127 **35A-8-2303. Reporting.**

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

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

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

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

134 and

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

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

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

139 **Part 1. General Provisions**

140 **63N-14-101. Title.**

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

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

143 **63N-14-102. Definitions.**

144 As used in this chapter:

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

146 (a) employs fewer than 100 employees;

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

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

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

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

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

152 (iv) is an individual who:

153 (A) operates under a sole proprietorship;

154 (B) operates as an independent contractor; or

155 (C) is self-employed.

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

157 Pub. L. 116-136.

158 (3) "COVID-19" means:

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

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

161 (4) "Program" means the COVID-19 Commercial Rental Assistance Program

162 established in Section [63N-14-201](#).

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

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

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

168 (i) for a four-week period:

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

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

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

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

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

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

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

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

181 63N-14-201. Creation of the COVID-19 Commercial Rental Assistance Program.

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

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

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

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

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

190 (i) \$10,000; or

191 (ii) (A) if the qualified business entity demonstrates a monthly gross revenue loss of
192 50% or greater, but less than 71%, an amount equal to 50% of the qualified business entity's
193 monthly rent; or

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

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

199 (b) A qualified business entity that receives funds between February 15, 2020, and June
200 30, 2020, from the Paycheck Protection Program described in the CARES Act, is only eligible
201 under this chapter to receive a single month of rental assistance, in an amount not to exceed the
202 lesser of:

203 (i) \$5,000; or

204 (ii) (A) if the qualified business entity demonstrates a monthly gross revenue loss of
205 50% or greater, but less than 71%, an amount equal to 25% of the qualified business entity's
206 monthly rent; or

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

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

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

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

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

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

219 (d) anything else the office requires.

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

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

223 (b) the Legislature appropriates; and

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

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

226 **63N-14-202. Conflicting provisions -- Rulemaking.**

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

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

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

232 **63N-14-203. Reporting.**

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

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

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

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

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

240 Section 10. **Effective date.**

241 If approved by two-thirds of all the members elected to each house, this bill takes effect
242 upon approval by the governor, or the day following the constitutional time limit of Utah

243 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,
244 the date of veto override.

245 Section 11. **Repeal date.**

246 This bill is repealed on May 31, 2021.