

116TH CONGRESS
2D SESSION

S. 3518

To provide grants to small business concerns, private nonprofit organizations, and small agricultural cooperatives affected by COVID–19, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 18, 2020

Mr. CARDIN (for himself and Ms. CANTWELL) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To provide grants to small business concerns, private nonprofit organizations, and small agricultural cooperatives affected by COVID–19, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “COVID–19 Recovery
5 Grants for Small Businesses Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act—

1 (1) the terms “Administration” and “Adminis-
2 trator” mean the Small Business Administration
3 and the Administrator thereof;

4 (2) the term “eligible small business concern”
5 means a small business concern that—

6 (A) meets the applicable size standard es-
7 tablished under section 3 of the Small Business
8 Act (15 U.S.C. 632);

9 (B) has not less than 2 employees and not
10 more than 50 employees;

11 (C) due to the effects of COVID–19, suf-
12 fered—

13 (i) a loss of revenue in 1 month great-
14 er than 50 percent as compared to the
15 same month in the previous year; or

16 (ii) in the case of a business concern
17 that has been in operation for not less
18 than 4 months, a loss of revenue in 1
19 month greater than 50 percent as com-
20 pared to the average of the 3 previous
21 months;

22 (D) can demonstrate an inability to pay
23 obligations or stay up-to-date on accounts or
24 payroll; and

1 (E) submitted an application for a loan
 2 under section 7(b)(2) of the Small Business Act
 3 (15 U.S.C. 636(b)(2)) and was denied assist-
 4 ance under such section because the small busi-
 5 ness concern is unable to repay the loan; and
 6 (3) the term “small business concern” has the
 7 meaning given the term in section 3 of the Small
 8 Business Act (15 U.S.C. 632).

9 **SEC. 3. ECONOMIC INJURY GRANTS.**

10 (a) GRANTS.—The Administration shall provide as-
 11 sistance to eligible small business concerns, private non-
 12 profit organizations, and small agricultural cooperatives
 13 that have suffered a substantial economic injury, directly
 14 or indirectly, as a result of COVID–19.

15 (b) AWARDING OF GRANTS AND UPDATES.—The Ad-
 16 ministration shall—

17 (1) award grants under this section as expedi-
 18 tiously as possible; and

19 (2) on a monthly basis until the date on which
 20 the authority under this section terminates, update
 21 the Committee on Small Business and Entrepre-
 22 neurship and the Committee on Appropriations of
 23 the Senate and the Committee on Small Business
 24 and the Committee on Appropriations of the House
 25 of Representatives on—

1 (A) the number of grants awarded under
2 this section; and

3 (B) the geographic distribution of the
4 grants by State and county.

5 (c) AMOUNT OF GRANT.—

6 (1) IN GENERAL.—Except as provided in para-
7 graph (2), a grant provided under this section shall
8 be in an amount that is not more than \$50,000.

9 (2) INCREASED GRANT AMOUNT.—The Admin-
10 istrator may make a grant under this section of not
11 more than \$100,000 if the Administrator dem-
12 onstrates that doing so is necessary to assist eligible
13 small business concerns, private nonprofit organiza-
14 tions, and small agricultural cooperatives that the
15 Administrator determines are vital to their local
16 economies.

17 (3) SINGLE AWARD.—No eligible small business
18 concern, private nonprofit organization, or small ag-
19 ricultural cooperative may receive or directly benefit
20 from more than 1 award made under this section.

21 (d) USE OF FUNDS.—An eligible small business con-
22 cern, private nonprofit organization, or small agricultural
23 cooperative that receives a grant under this section may
24 use the grant funds to address the effects of COVID-19

1 through any of the permissible uses of funds under section
2 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)).

3 (e) APPLICATION.—

4 (1) IN GENERAL.—An eligible small business
5 concern, private nonprofit organization, or small ag-
6 ricultural cooperative desiring a grant under this
7 section shall submit to the Administration an appli-
8 cation at such time, in such manner, and containing
9 such information as the Administration may require.

10 (2) PRIORITY.—The Administrator shall—

11 (A) establish selection criteria to ensure
12 that eligible small business concerns, private
13 nonprofit organizations, and small agricultural
14 cooperatives that are hardest hit by the effects
15 of COVID–19 receive priority in the event that
16 funding is not sufficient to provide grants to all
17 that submit applications under paragraph (1);

18 (B) identify industry sectors for prioritiza-
19 tion that have suffered uniquely and dispropor-
20 tionately from COVID–19; and

21 (C) give priority to an applicant proposing
22 to use grant funds for—

23 (i) providing paid sick leave to em-
24 ployees unable to work due to the direct ef-
25 fects of COVID–19;

1 (ii) maintaining payroll to retain em-
2 ployees during business disruptions or sub-
3 stantial slowdowns;

4 (iii) making rent and mortgage pay-
5 ments; or

6 (iv) repaying obligations that cannot
7 be met due to revenue losses.

8 (f) PROCEDURES.—The Administrator shall establish
9 procedures to discourage and prevent waste, fraud, and
10 abuse by applicants and recipients of grants under this
11 section.

12 (g) PENALTIES FOR FRAUD AND MISAPPLICATION OF
13 FUNDS.—Any applicant or recipient of a grant provided
14 under this section shall be subject to all applicable provi-
15 sions of Federal law, including section 1001 of title 18,
16 United States Code, and the provisions of section 123.9
17 of title 13, Code of Federal Regulations, or any successor
18 regulation, relating to the misapplication of loan proceeds
19 shall apply to grants provided under this section to the
20 same extent as if those grants were loans provided under
21 section 7(b)(2) of the Small Business Act (15 U.S.C.
22 636(b)(2)).

23 (h) INSPECTOR GENERAL AUDIT.—Not later than
24 180 days after the date on which the Administrator begins

1 to provide assistance under this section, the Inspector
2 General of the Administration shall—

3 (1) conduct an audit of grants made under this
4 section, which shall identify any discrepancies or
5 irregularities in the grants; and

6 (2) submit to the Committee on Small Business
7 and Entrepreneurship and the Committee on Appro-
8 priations of the Senate and the Committee on Small
9 Business and the Committee on Appropriations of
10 the House of Representatives a copy of the audit
11 conducted under paragraph (1).

12 (i) AUTHORIZATION OF APPROPRIATIONS.—There is
13 authorized to be appropriated such sums as may be nec-
14 essary to carry out this section.

15 (j) TERMINATION.—The authority to carry out
16 grants under this section shall terminate on September 30,
17 2021.

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