

117TH CONGRESS
1ST SESSION

H. R. 4150

To establish a grant program for shuttered minor league baseball clubs,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 24, 2021

Ms. MATSUI (for herself, Mr. MCKINLEY, Ms. WILD, Mr. WELCH, Mr. MCGOVERN, and Ms. SLOTKIN) introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish a grant program for shuttered minor league
baseball clubs, 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 “Minor League Baseball
5 Relief Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

1 (1) ADMINISTRATOR.—The term “Adminis-
2 trator” means the Administrator of the Small Busi-
3 ness Administration.

4 (2) COVERED GRANTS.—The term “covered
5 grant” means a grant made under this Act to an eli-
6 gible entity.

7 (3) COVERED LAW.—The term “covered law”
8 means—

9 (A) the Coronavirus Preparedness and Re-
10 sponse Supplemental Appropriations Act, 2020
11 (Public Law 116–123; 134 Stat. 146);

12 (B) the Families First Coronavirus Re-
13 sponse Act (Public Law 116–127; 134 Stat.
14 177);

15 (C) the CARES Act (Public Law 116–136;
16 134 Stat. 281);

17 (D) the Paycheck Protection Program and
18 Health Care Enhancement Act (Public Law
19 116–139; 134 Stat. 620);

20 (E) the Consolidated Appropriations Act,
21 2021 (Public Law 116–260); or

22 (F) the American Rescue Plan Act of 2021
23 (Public Law 117–2).

24 (4) COVERED MORTGAGE OBLIGATION; COV-
25 ERED RENT OBLIGATION; COVERED UTILITY PAY-

1 MENT; COVERED WORKER PROTECTION EXPENDI-
2 TURE.—The terms “covered mortgage obligation”,
3 “covered rent obligation”, “covered utility payment”,
4 and “covered worker protection expenditure” have
5 the meanings given those terms in section 7A(a) of
6 the Small Business Act (15 U.S.C. 636m(a)).

7 (5) ELIGIBLE ENTITY.—The term “eligible enti-
8 ty” means any Minor League Baseball Club or Inde-
9 pendent Professional Baseball Club that meets the
10 following requirements:

11 (A) The Minor League Baseball Club or
12 Independent Professional Baseball Club was op-
13 erating in the ordinary course of business on
14 February 29, 2020.

15 (B) The gross revenues of the Minor
16 League Baseball Club or Independent Profes-
17 sional Baseball Club in calendar year 2020
18 were not more than 25 percent of the gross rev-
19 enues of the Minor League Baseball Club or
20 Independent Professional Baseball Club in cal-
21 endar year 2019, or, if the gross revenues of
22 the Minor League Baseball Club or Inde-
23 pendent Professional Baseball Club were nega-
24 tively impacted by a natural disaster or weather
25 disruption in 2019, not more than 25 percent

1 of the average annual gross revenues of the
2 Minor League Baseball Club or Independent
3 Professional Baseball Club over the 3-year pe-
4 riod from 2017 through 2019, as determined by
5 the Administrator using the accrual method of
6 accounting and excluding any amounts received
7 any amounts received under the CARES Act
8 (15 U.S.C. 9001 et seq.), an amendment to
9 such Act, the Consolidated Appropriations Act,
10 2021 (Public Law 116–260), or any subsequent
11 COVID Relief package.

12 (C) At the time the Minor League Baseball
13 Club or Independent Professional Baseball Club
14 submits the certification required under section
15 3(c), the Minor League Baseball Club or Inde-
16 pendent Professional Baseball Club is open, or
17 intends to reopen, for the primary purpose of
18 conducting baseball games.

19 (D) The Minor League Baseball Club or
20 Independent Professional Baseball Club is not
21 majority owned, directly or indirectly, by Major
22 League Baseball, a Major League Baseball
23 Club, or one or more persons who have a great-
24 er than 10-percent ownership interest in a
25 Major League Baseball Club.

1 (6) INDEPENDENT PROFESSIONAL BASEBALL
2 CLUB.—The term “Independent Professional Base-
3 ball Club” means a professional baseball team, in-
4 cluding a professional baseball team that is a cor-
5 poration, limited liability company, or a partnership
6 or operated as a sole proprietorship, that—

7 (A) operates for profit or as a nonprofit
8 organization;

9 (B) is located in the United States; and

10 (C) as of February 29, 2020, was a mem-
11 ber of—

12 (i) the American Association of Pro-
13 fessional Baseball;

14 (ii) the Atlantic League of Profes-
15 sional Baseball;

16 (iii) the Canadian American Associa-
17 tion of Professional Baseball;

18 (iv) the Empire Professional Baseball
19 League;

20 (v) the Frontier League;

21 (vi) the Pacific Association of Profes-
22 sional Baseball Clubs;

23 (vii) the Pecos League of Professional
24 Baseball Clubs;

1 (viii) the United Shore Professional
2 Baseball League; or

3 (ix) the Western League.

4 (7) MINOR LEAGUE BASEBALL CLUB.—The
5 term “Minor League Baseball Club” means a profes-
6 sional baseball team, including a professional base-
7 ball team that is a corporation, limited liability com-
8 pany, or a partnership or operated as a sole propri-
9 etorship, that—

10 (A) operates for profit or as a nonprofit
11 organization;

12 (B) is located in the United States; and

13 (C)(i) as of February 29, 2020, was a
14 member of a league that was a member of the
15 National Association of Professional Baseball
16 Leagues, Inc.; or

17 (ii) has been offered and is operating or
18 has agreed to operate under—

19 (I) a Player Development License
20 granted by MLB Professional Development
21 Leagues, LLC; or

22 (II) a license granted by Appalachian
23 League, Inc.

24 (8) PAYROLL COSTS.—The term “payroll costs”
25 has the meaning given the term in section

1 7(a)(36)(A) of the Small Business Act (15 U.S.C.
2 636(a)(36)).

3 **SEC. 3. GRANTS FOR CERTAIN MINOR LEAGUE BASEBALL**
4 **CLUBS.**

5 (a) IN GENERAL.—The Administrator shall, subject
6 to the availability of appropriations, make covered grants
7 to eligible entities in accordance with this section.

8 (b) AUTHORITY.—The Associate Administrator for
9 the Office of Disaster Assistance of the Small Business
10 Administration shall coordinate and formulate policies re-
11 lating to the administration of covered grants.

12 (c) CERTIFICATION OF NEED.—An eligible entity ap-
13 plying for a covered grant shall submit a good faith certifi-
14 cation that the uncertainty of current economic conditions
15 makes necessary the grant to support the ongoing oper-
16 ations of the eligible entity.

17 (d) MULTIPLE BUSINESS ENTITIES.—The Adminis-
18 trator shall treat each eligible entity as an independent,
19 non-affiliated entity for the purposes of this section.

20 (e) GRANT TERMS.—

21 (1) NUMBER OF GRANTS.—

22 (A) IN GENERAL.—Except as provided in
23 subparagraph (B), an eligible entity may receive
24 only 1 covered grant.

1 (B) SUPPLEMENTAL GRANT.—The Admin-
2 istrator may make a second covered grant to an
3 eligible entity if, as of June 30, 2021, the gross
4 revenues of such eligible entity for calendar
5 year 2021 as of such date are not more than
6 30 percent of the gross revenues of such eligible
7 entity for the corresponding period of 2019, or,
8 if the gross revenues of the eligible entity were
9 negatively impacted by a natural disaster or
10 weather disruption in 2019, not more than 30
11 percent of the average gross revenues of the eli-
12 gible entity during the first 6 months of 2017,
13 2018, and 2019, due to the COVID–19 pan-
14 demic.

15 (2) AMOUNT.—

16 (A) IN GENERAL.—Except as provided in
17 subparagraph (B), a covered grant shall be in
18 an amount equal to the lesser of—

19 (i) the amount equal to 45 percent of
20 the gross revenues of the eligible entity for
21 2019, or, if the gross revenues of the eligi-
22 ble entity were negatively impacted by a
23 natural disaster or weather disruption in
24 2019, equal to 45 percent of the average
25 annual gross revenues of the eligible entity

1 over the 3-year period from 2016 through
2 2018, which shall include the gross reve-
3 nues of all subsidiaries and other related
4 entities that are consolidated with the
5 gross revenues of the eligible entity in a fi-
6 nancial statement prepared in accordance
7 with generally accepted accounting prin-
8 ciples for such eligible entity for such year;
9 or

10 (ii) \$10,000,000.

11 (B) SUPPLEMENT GRANT AMOUNT.—A
12 covered grant made pursuant to paragraph
13 (1)(B) shall be in an amount equal to 50 per-
14 cent of the first covered grant received by the
15 eligible entity.

16 (3) GRANT AGGREGATE MAXIMUM.—The total
17 amount of covered grants received by an eligible en-
18 tity may not exceed \$10,000,000.

19 (4) USE OF FUNDS.—

20 (A) TIMING.—

21 (i) EXPENSES INCURRED.—

22 (I) IN GENERAL.—Except as pro-
23 vided in subclause (II), amounts re-
24 ceived under a covered grant may only
25 be used for expenses incurred during

1 the period beginning on March 1,
2 2020, and ending on December 31,
3 2021.

4 (II) EXTENSION FOR SUPPLE-
5 MENTAL GRANTS.—If an eligible enti-
6 ty receives a grant under paragraph
7 (1)(B), amounts received under a cov-
8 ered grant may be used for costs in-
9 curred during the period beginning on
10 March 1, 2020, and ending September
11 30, 2022.

12 (ii) EXPENDITURE.—

13 (I) IN GENERAL.—Except as pro-
14 vided in subclause (II), an eligible en-
15 tity shall return to the Administrator
16 any amounts received under a covered
17 grant that are not expended on or be-
18 fore the date that is 1 year after the
19 date of disbursement of the covered
20 grant.

21 (II) EXTENSION FOR SUPPLE-
22 MENTAL GRANTS.—If an eligible enti-
23 ty receives a grant under paragraph
24 (1)(B), the eligible entity shall return
25 to the Administrator any amounts re-

1 ceived under any covered grant that
2 are not expended on or before the
3 date that is 18 months after the date
4 of disbursement of the first covered
5 grant received by the eligible entity.

6 (B) ALLOWABLE EXPENSES.—An eligible
7 entity may use amounts received under a cov-
8 ered grant for—

9 (i) payroll costs;

10 (ii) payments on any covered rent ob-
11 ligation or other obligation to a public enti-
12 ty from whom the primary venue of the eli-
13 gible entity is leased or licensed;

14 (iii) any covered utility payment;

15 (iv) payments of interest or principal
16 due on any covered mortgage obligation;

17 (v) payments of interest or principal
18 due on any indebtedness or debt instru-
19 ment incurred in the ordinary course of
20 business that is a liability of the eligible
21 entity and was in place or incurred prior to
22 February 15, 2020;

23 (vi) covered worker protection expend-
24 itures;

1 (vii) payments made to independent
2 contractors, as reported on Form 1099-
3 MISC, not to exceed a total of \$100,000 in
4 annual compensation for any individual
5 employee of an independent contractor;
6 and

7 (viii) other ordinary and necessary
8 business expenses, including—

9 (I) maintenance expenses;

10 (II) administrative costs, includ-
11 ing fees and licensing costs;

12 (III) State and local taxes and
13 fees;

14 (IV) operating leases in effect as
15 of February 15, 2020;

16 (V) payments required for insur-
17 ance on any insurance policy;

18 (VI) settling existing debts with
19 vendors; and

20 (VII) advertising, production,
21 transportation, and capital expendi-
22 tures relating to the primary venue of
23 the eligible entity or events held at
24 such venue, except that a grant under

1 this section may not be used primarily
2 for such expenditures.

3 (C) PROHIBITED EXPENSES.—An eligible
4 entity may not use amounts received under a
5 grant under this section—

6 (i) to purchase real estate;

7 (ii) for payments of interest or prin-
8 cipal for loans originated after February
9 15, 2020;

10 (iii) to invest or re-lend funds;

11 (iv) for contributions or expenditures
12 to, or on behalf of, any political party,
13 party committee or candidate for elective
14 office; or

15 (v) for any other use as may be rea-
16 sonably prohibited by the Administrator.

17 (f) INCREASED OVERSIGHT.—The Administrator
18 shall increase oversight of eligible entities receiving cov-
19 ered grants, which may include the following:

20 (1) DOCUMENTATION.—Additional documenta-
21 tion requirements that are consistent with the eligi-
22 bility and other requirements under this section, in-
23 cluding requiring an eligible entity that receives a
24 grant under this section to retain records that docu-

1 ment compliance with the requirements for grants
2 under this section—

3 (A) with respect to employment records,
4 for the 4-year period following receipt of the
5 grant; and

6 (B) with respect to other records, for the
7 3-year period following receipt of the grant.

8 (2) REVIEWS OF USE.—Reviews of the use of
9 the grant proceeds by an eligible entity to ensure the
10 compliance with requirements established under this
11 section and by the Administrator, including that the
12 Administrator may—

13 (A) review and audit grants under this sec-
14 tion; and

15 (B) in the case of fraud or other material
16 noncompliance with respect to a grant under
17 this section—

18 (i) require repayment of misspent
19 funds; or

20 (ii) pursue legal action to collect
21 funds.

22 (g) OVERSIGHT AND AUDIT PLAN.—

23 (1) IN GENERAL.—Not later than 45 days after
24 the date of enactment of this Act, the Administrator
25 shall submit to the Committee on Small Business

1 and Entrepreneurship of the Senate and the Com-
2 mittee on Small Business of the House of Rep-
3 resentatives an audit plan that details—

4 (A) the policies and procedures of the Ad-
5 ministrator for conducting oversight and audits
6 of covered grants; and

7 (B) the metrics that the Administrator
8 shall use to determine which covered grants will
9 be audited pursuant to subsection (f).

10 (2) REPORT.—Not later than 60 days after the
11 date of enactment of this Act, and each month
12 thereafter until the date that is 1 year after the date
13 on which all amounts appropriated to make covered
14 grants have been expended, the Administrator shall
15 submit to the Committee on Small Business and En-
16 trepreneurship of the Senate and the Committee on
17 Small Business of the House of Representatives a
18 report on the oversight and audit activities of the
19 Administrator under this subsection, which shall in-
20 clude—

21 (A) the total number of covered grants ap-
22 proved and disbursed;

23 (B) the total amount of covered grants re-
24 ceived by each eligible entity;

1 (C) the number of active investigations and
2 audits of covered grants;

3 (D) the number of completed reviews and
4 audits of covered grants, including a description
5 of any findings of fraud or other material non-
6 compliance; and

7 (E) any substantial changes made to the
8 oversight and audit plan submitted under para-
9 graph (1).

10 (h) TAX TREATMENT OF COVERED LOANS.—

11 (1) IN GENERAL.—For the purposes of the In-
12 ternal Revenue Code of 1986—

13 (A) no covered grant shall be included in
14 the gross income of the eligible entity that re-
15 ceives such covered grant;

16 (B) no deduction shall be denied, no tax
17 attribute shall be reduced, and no basis increase
18 shall be denied, by reason of the exclusion from
19 gross income provided by subparagraph (A);
20 and

21 (C) in the case of a partnership or S cor-
22 poration that receives such a covered grant—

23 (i) any amount excluded from income
24 by reason of subparagraph (A) shall be
25 treated as tax exempt income for purposes

1 of sections 705 and 1366 of the Internal
2 Revenue Code of 1986; and

3 (ii) the Secretary of the Treasury (or
4 the Secretary's delegate) shall prescribe
5 rules for determining a partner's distribu-
6 tive share of any amount described in
7 clause (i) for purposes of section 705 of
8 the Internal Revenue Code of 1986.

9 (2) APPLICABILITY.—Paragraph (1) shall apply
10 to taxable years ending after the date of enactment
11 of this Act.

12 (i) FUNDING.—Notwithstanding any provision of cov-
13 ered law, from any funds appropriated under such a law
14 that have not been obligated as of the date of enactment
15 of this Act and are no longer being used to carry out the
16 activities under such a law, the remaining funds or
17 \$550,000,000, whichever is greater, but in any case not
18 more than \$550,000,000, shall be allocated to the Admin-
19 istrator to carry out this section, of which not more than
20 \$50,000,000 shall be allocated to Independent Profes-
21 sional Baseball Clubs.

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