

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend, on a temporary basis, the Small and Certified Business Enterprise Development and Assistance Act of 2005 to establish the Business Support Grant program to provide eligible businesses financial support to aid in their recovery from the public health emergency.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Business Support Grants Temporary Amendment Act of 2020”.

Sec. 2. The Small and Certified Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.01 *et seq.*), is amended as follows:

(a) The table of contents is amended by adding a new section designation to read as follows:

“Sec. 2317. Business Support Grant program.”.

“(b) A new section 2317 is added to read as follows:

“Sec. 2317. Business Support Grant program.

“(a)(1) Notwithstanding the Grant Administration Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 1-328.11 *et seq.*), the Mayor, in the Mayor’s sole discretion, may issue a grant to an eligible business in accordance with this section and rules issued pursuant to this section; provided, that:

“(A) The eligible business submits a grant application in the form and with the information required by the Mayor;

“(B) The eligible business demonstrates, to the satisfaction of the Mayor, a reduction in business revenue due to circumstances resulting from the public health emergency, showing, for an eligible business opened a year or more, financial distress of a 50% or more loss in gross receipts of sales for April, May, and June of 2020 combined compared to the gross receipts reported for the same period in 2019, or, for an eligible business opened fewer than 12 months as of the public health emergency, compared to the 3-month period preceding the public health emergency; and

“(C) A grant is equivalent to up to 15% of lost revenue over the 3-month period from April, May, and June of 2020, and not more than the average monthly gross receipts

for any single month in 2019, or, for an eligible business opened fewer than 12 months as of the public health emergency, over the 3-month period preceding the public health emergency; provided further, that at least 12.5% is set aside for an eligible business that is:

“(i) Also, is or is eligible to be, a resident-owned business as that term is defined in section 2302(15); and

“(ii) At least 51% owned by economically disadvantaged individuals, as that term is defined in section 2302(7), or by individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities.

“(2) An eligible business awarded a grant pursuant to this section may use the grant funds for costs associated with complying with the demands of the public health emergency, reopening, to accommodate to the emerging business environment, or for any other reason determined by the Mayor, as set forth in rules issued pursuant to this section, to likely spur economic recovery.

“(b)(1) The Mayor may award a grant to a lessor of property that leases to an eligible business; provided, that the lessor shall only qualify after demonstrating to the Mayor, in a form acceptable to the Mayor, rental income limited to the property leased to the eligible business and that the lessor has abated rent payments or otherwise provided a benefit to the eligible business in an amount equal in value to at least twice the amount of the grant.

“(2) A lessor who receives an award pursuant to this subsection shall notify the Mayor if the lessor terminates, during the 18 months following receipt of an award pursuant to this subsection, a lease agreement with an eligible business and shall provide, in a form determined by the Mayor, evidence that the termination was:

“(A) With the consent of the eligible business; or

“(B) Unrelated to nonpayment of rent due to the impact of the public health emergency on the eligible business.

“(c) The Mayor may award one or more grants to a third-party grant-managing entity for the purpose of administering the Business Support Grant program and making subgrants on behalf of the Mayor in accordance with the requirements of this section or rules issued pursuant to this section.

“(d)(1) The Mayor, pursuant to section 105 of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat.1206; D.C. Official Code 2-505), shall issue rules to implement the provisions of this section, which shall include the grant application process.

“(2) The Mayor, in promulgating the rules shall consider prioritizing available funding, with a priority for those eligible businesses closed due to the public health emergency and unable to open until Phase 3 or Phase 4 of the District’s Reopening plan pursuant to the guidelines issued by Executive Order of the Mayor and but for the public health emergency would be open, as follows:

“(A) Thirty-eight percent to restaurants;

“(B) Twenty-eight percent to hotels;

“(C) Fourteen and a half percent to retail;

“(D) Fourteen and a half percent to sports and entertainment sectors; and

“(E) Five percent to child development facilities.

“(e) The Mayor, in the Mayor’s sole discretion, may authorize that funds of up to \$100 million received pursuant to the CARES Act, approved March 27, 2020 (Pub. L. No. 116-136; 134 Stat.281), be used to fund the Business Support Grant program established by this section.

“(f) The Mayor, and any third-party entity chosen pursuant to subsection (c) of this section, shall maintain a list of all grants awarded pursuant to this section, identifying for each award the grant recipient, the date of award, intended use of the award, and the award amount. The Mayor shall publish the list online no later than December 1, 2020.

“(g) For the purposes of this section, the term:

“(1) “Eligible business” means:

“(A) A child development facility, as that term is defined in the Child Development Facilities Regulation Act of 1998, effective April 13, 1999 (D.C. Law 12-215; D.C. Official Code 7-2031(3)); provided that, the child development center has not previously received public vouchers during the public health emergency; or

“(B) A business enterprise eligible for certification under section 2331 that:

“(i) Is an establishment in the hotel, retail, restaurant, or sports and entertainment, sector;

“(ii) Derives at least 80% of its revenue from sales of merchandise, food, beverages, accommodation services, ticket sales, advertising, media, or sponsorship, or a combination of the following; and

“(iii) Is still open or would still be open were it not for the public health emergency.

“(2) “Public health emergency” means the emergencies declared in the Declaration of Public Emergency (Mayor’s Order 2020-045) together with the Declaration of Public Health Emergency (Mayor’s Order 2020-046), declared on March 11, 2020, including any extension of those declared emergencies.

“(3) “Restaurant” means full-service restaurants, including limited-service restaurants, fast food restaurants, and food service providers such as cafes, delicatessens, coffee shops, supermarkets, grocery stores, vending trucks or carts, food trucks, and cafeterias.

“(4) “Sports and entertainment sector” means an establishment that is open or was open to the public prior to the declaration of the public health emergency for entertainment or leisure. The term “sports and entertainment venue” includes bars, entertainment venues, nightlife establishments, theatres, sports, recreation and entertainment venues, and art galleries.”.

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Sec. 3. Fiscal impact statement.

The Council adopts the fiscal impact statement Budget Director as the fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

Sec. 4. Effective date.

(a) This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1), and publication in the District of Columbia Register.

(b) This act shall expire after 225 days of its having taken effect.

Chairman
Council of the District of Columbia

Mayor
District of Columbia