

2020 Second Extraordinary Session

SENATE BILL NO. 73

BY SENATOR BARROW

FUNDS/FUNDING. Provides funding and requirements for eligible rental businesses from the La. Main Street Recovery Program. (gov sig) (Items #16, #17, #18, #19, and #20)

1 AN ACT  
2 To amend and reenact R.S. 39:100.41 and 100.44(B), (E), (K), and (Q), and to enact R.S.  
3 39:100.42(17) and (18), and 100.44(R), relative to the Louisiana Main Street  
4 Recovery Program, and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 39:100.41 and 100.44(B), (E), (K), and (Q) are hereby amended and  
7 reenacted, and R.S. 39:100.42(17) and (18), and 100.44(R) are hereby enacted to read as  
8 follows:

9 §100.41. Legislative Intent

10 It is the intent of the legislature to provide economic support to Louisiana  
11 political subdivisions and businesses for costs incurred for and continued response  
12 to the Coronavirus disease (COVID-19) pandemic from federal funds provided  
13 pursuant to Section 5001 of the CARES Act, which created the Coronavirus Relief  
14 Fund from which the state received over one billion eight hundred million dollars  
15 (CARES Act), of which the state's portion is over nine hundred ninety-one million  
16 dollars. The state desires to use a portion of the remaining portion of the CARES  
17 fund monies in the amount of five hundred eleven million one hundred seventy-eight

1 thousand seven hundred four dollars for economic support through the Coronavirus  
 2 Local Recovery Allocation Program for local government units to be administered  
 3 by the division of administration and the Governor's Office of Homeland Security  
 4 and Emergency Preparedness. The state further desires to use a portion of the  
 5 CARES fund monies in the amount of three hundred million dollars for the  
 6 Louisiana Main Street Recovery Program for economic support for eligible  
 7 businesses **and eligible rental businesses** to be administered by the state treasurer,  
 8 all as established in this Subpart. The state further desires to use a total of fifty  
 9 million dollars, of which twenty-five million dollars shall come from the  
 10 Coronavirus Local Recovery Allocation Fund and twenty-five million dollars shall  
 11 come from the Louisiana Main Street Recovery Fund, for the funding of a one-time  
 12 hazard pay rebate for essential critical infrastructure workers.

13 §100.42. Definitions

14 For the purposes of this Subpart, the following terms shall have the following  
 15 meanings:

16 \* \* \*

17 **(17) "Eligible rental business" means a for-profit corporation, a limited**  
 18 **liability company, a partnership, or a sole proprietorship that (i) is the owner,**  
 19 **lessor or sub-lessor of a residential dwelling unit and, (ii) filed Louisiana taxes**  
 20 **for tax year 2018 or 2019 or if an eligible rental business formed on or after**  
 21 **January 1, 2020, intends to file Louisiana taxes for tax year 2020.**

22 **(18) "Lost rental income" means all payments that were due to be made**  
 23 **to an eligible rental business under a rental agreement between March 1, 2020,**  
 24 **and November 1, 2020, that were not paid or there is a reasonable expectation**  
 25 **that they will not be paid due to the business disruption effects of the public**  
 26 **health emergency and eviction moratoria.**

27 \* \* \*

28 §100.44. Louisiana Main Street Recovery Program

29 A. \* \* \*

1           B. There is hereby created in the state treasury, as a special fund, the  
2           Louisiana Main Street Recovery Fund, hereinafter referred to as the "recovery fund",  
3           to provide economic support to eligible Louisiana businesses for costs incurred **and**  
4           **eligible rental businesses for lost rental income** in connection with COVID-19,  
5           including business interruptions caused by forced closures or restricted operations  
6           resulting from voluntary closures instituted to promote social distancing, and  
7           resulting decreased customer demand, cleaning or disinfection, ~~and~~ providing  
8           personal protective equipment, **and decreased rental payments to eligible rental**  
9           **businesses because of increased unemployment and loss of wages**. Expenses  
10          reimbursed by business interruption insurance or disallowed by the CARES Act or  
11          any guidance or regulation issued by the United States Department of the Treasury  
12          shall not be an eligible expense.

13                                   \*       \*       \*

14          E. All remaining monies in the recovery fund, after providing for  
15          administrative expenses, shall be appropriated for grants to eligible businesses **and**  
16          **eligible rental businesses** that submit applications pursuant to this Section provided  
17          that any grant programs have been approved by the Joint Legislative Committee on  
18          the Budget.

19                                   \*       \*       \*

20          K. Each recipient of a grant shall provide a certification, on a form developed  
21          by the treasurer, signed by the authorized chief executive of the eligible business **or**  
22          **eligible rental business**, as defined in the program approved by the Joint Legislative  
23          Committee on the Budget, that the proposed use of the funds is consistent with the  
24          CARES Act. The certification shall also provide that the business shall hold the state  
25          harmless and indemnify the state in the event that payments were misappropriated,  
26          converted, and/or spent for any purpose other than those authorized by and in  
27          accordance with the CARES Act as determined by any executive, administrative, or  
28          judicial body of competent jurisdiction.

29                                   \*       \*       \*

1            Q.(1) Eligible rental businesses that can demonstrate lost rental income  
2            from March 1, 2020, through November 30, 2020, may apply for a grant of no  
3            more than fifteen thousand dollars to reimburse for lost rental income resulting  
4            from the public health emergency and eviction moratoria.

5            (2) The treasurer shall process applications from eligible rental  
6            businesses and make a determination on payment within fifteen days of  
7            receiving a completed application.

8            (3) Grants awarded to eligible rental businesses shall be exempt from  
9            any state or municipal tax and exempt from levy and sale, garnishment,  
10           attachment, or any other process whatsoever, except as provided in R.S. 11:292,  
11           and shall be unassignable.

12           (4) Eligible rental businesses that accept a grant under this program  
13           shall consider any rental payments due under a rental agreement at that  
14           property as having been paid in full through November 30, 2020, and shall so  
15           notify the tenant. Eligible rental businesses that receive a grant from this  
16           program shall not evict a tenant from the dwelling unit for nonpayment of rent  
17           or refuse to renew a lease through November 30, 2020. Acceptance of grant  
18           funds shall not prohibit an eligible rental business from beginning eviction  
19           proceedings for a violation of the lease or other laws or regulations, other than  
20           for nonpayment of rent.

21           R. Any unobligated balance in the fund on December 1, 2020, shall be  
22           transferred to the State Coronavirus Relief Fund.

23           Section 2. The provisions of this Act shall only apply to any monies in the allocation  
24           fund which are unobligated as of the effective date of this Act.

25           Section 3. This Act shall become effective upon signature by the governor or, if not  
26           signed by the governor, upon expiration of the time for bills to become law without signature  
27           by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
28           vetoed by the governor and subsequently approved by the legislature, this Act shall become  
29           effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Martha S. Hess.

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## DIGEST

SB 73 Engrossed

2020 Second Extraordinary Session

Barrow

Present law (R.S. 39:100.44) establishes the Main Street Program. Further establishes the La. Main Street Recovery Fund to finance the grants awarded by the Main Street Program to eligible businesses. Proposed law retains present law.

Present law defines "eligible business" to mean a for-profit corporation, a limited liability company, a partnership, or a sole proprietorship that meets all of the following criteria:

- (1) Was domiciled in Louisiana as of March 1, 2020.
- (2) Is in good standing with the secretary of state, if applicable.
- (3) Suffered an interruption of business caused by forced or voluntary closures or restricted operations due to social distancing measures, decreased customer demand, cleaning or disinfection expenses, and providing personal protective equipment.
- (4) Is at least fifty percent owned by one or more Louisiana residents, whether individual resident citizens or Louisiana domestic business entities.
- (5) Filed Louisiana taxes for tax year 2018 or 2019, or, if an eligible business formed on or after January 1, 2020, intends to file Louisiana taxes for tax year 2020.
- (6) Has customers or employees coming to its physical premises.
- (7) Had no more than fifty full-time equivalent employees as of March 1, 2020.
- (8) Is not a subsidiary of a business with more than fifty full-time equivalent employees, is not part of a larger business enterprise with more than fifty full-time equivalent employees, and is not owned by a business with more than fifty full-time equivalent employees.
- (9) Does not exist for the purpose of advancing partisan political activity. Does not directly lobby federal or state officials.
- (10) Does not derive income from passive investments without active participation in business operations.

Proposed law extends the program to "eligible rental businesses" which proposed law defines as a for-profit corporation, a limited liability company, a partnership, or a sole proprietorship that:

- (1) Is the owner, lessor, or sub-lessor of a residential dwelling unit.
- (2) Filed Louisiana taxes for tax year 2018 or 2019 or if an eligible rental business formed on or after January 1, 2020, intends to file Louisiana taxes for tax year 2020.

Proposed law defines "lost rental income" to mean all payments that were due to be made to an eligible rental business under a rental agreement between March 1, 2020, and November 1, 2020, that were not paid or there is a reasonable expectation that they will not be paid due to the business disruption effects of the public health emergency and eviction moratoria.

Proposed law provides that eligible rental businesses that can demonstrate lost rental income from March 1, 2020, through November 30, 2020, may apply for a grant of no more than \$15,000 to reimburse for lost rental income resulting from the public health emergency and eviction moratoria. Requires the treasurer to process applications from eligible rental businesses and make a determination on payment within fifteen days of receiving a completed application.

Proposed law exempts grants awarded to eligible rental businesses from any state or municipal tax and exempt from levy and sale, garnishment, attachment, or any other process whatsoever, except as provided in present law allowing seizures to pay child support.

Proposed law provides that eligible rental businesses that accept a grant under this program shall consider any rental payments due under a rental agreement at that property as having been paid in full through November 30, 2020, and must so notify the tenant. Eligible rental businesses that receive a grant shall not evict a tenant from the dwelling unit for non-payment of rent or refuse to renew a lease through November 30, 2020. Acceptance of grant funds shall not prohibit an eligible rental business from beginning eviction proceedings for a violation of the lease or other laws or regulations, other than for non payment of rent.

Provides that proposed law shall only apply to any monies in the Main Street Recovery Fund which are unobligated as of the effective date of proposed law.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 39:100.41 and 100.44(B), (E), (K), and (Q); adds R.S. 39:100.42(17) and (18), and 100.44(R))