

RENT AND MORTGAGE ASSISTANCE AMENDMENTS

2020 FIFTH SPECIAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: Mike Schultz

LONG TITLE

General Description:

This bill modifies provisions related to residential housing assistance and commercial rental assistance.

Highlighted Provisions:

This bill:

▶ modifies the date when the Housing and Community Development Division may provide certain residential housing assistance for state residents financially harmed as a result of the COVID-19 pandemic;

▶ modifies provisions of the COVID-19 Commercial Rental Assistance Program administered by the Governor's Office of Economic Development, including:

- modifying definitions; and
- modifying the requirements to receive assistance under the program and the amounts of rental assistance that may be provided; and

▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:



28 **35A-8-2302 (Repealed 05/31/21)**, as enacted by Laws of Utah 2020, Third Special
29 Session, Chapter 11

30 **63N-14-102 (Repealed 05/31/21)**, as enacted by Laws of Utah 2020, Third Special
31 Session, Chapter 11

32 **63N-14-201 (Repealed 05/31/21)**, as enacted by Laws of Utah 2020, Third Special
33 Session, Chapter 11



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

36 Section 1. Section **35A-8-2302 (Repealed 05/31/21)** is amended to read:

37 **35A-8-2302 (Repealed 05/31/21). COVID-19 residential housing assistance --**
38 **Rulemaking.**

39 (1) [~~Beginning August 1, 2020, the~~] The division shall assist qualifying state residents
40 financially harmed on or after March 1, 2020, but on or before December 30, 2020, by
41 COVID-19 to retain or obtain housing:

- 42 (a) through a new or existing housing-related program or service; and
- 43 (b) using funds:
 - 44 (i) the state receives from the Coronavirus Relief Fund described in the Coronavirus
 - 45 Aid, Relief, and Economic Security Act, Pub. L. 116-136;
 - 46 (ii) the Legislature appropriates; and
 - 47 (iii) in a total amount not to exceed \$20,000,000.

48 (2) The division shall make rules in accordance with Title 63G, Chapter 3, Utah
49 Administrative Rulemaking Act, for any [~~new~~] program or service the division establishes or
50 modifies to carry out the provisions of this part, including rules related to the application
51 process and requirements for a state resident to qualify for assistance under this part.

52 Section 2. Section **63N-14-102 (Repealed 05/31/21)** is amended to read:

53 **63N-14-102 (Repealed 05/31/21). Definitions.**

54 As used in this chapter:

- 55 (1) "Business entity" means a business that:
 - 56 (a) employs fewer than the equivalent of 100 full-time employees;
 - 57 (b) has the business's principal place of business in this state; and
 - 58 [~~(c) was in operation on February 15, 2020; and~~]

59 ~~[(d)]~~ (c) (i) is properly registered with the Division of Corporations and Commercial
60 Code;

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

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

63 (iv) is an individual who:

64 (A) operates under a sole proprietorship;

65 (B) operates as an independent contractor; or

66 (C) is self-employed.

67 (2) "CARES Act" means the Coronavirus Aid, Relief, and Economic Security Act,
68 Pub. L. 116-136.

69 (3) "COVID-19" means:

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

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

72 (4) "Program" means the COVID-19 Commercial Rental Assistance Program
73 established in Section [63N-14-201](#).

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

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

77 (b) demonstrates to the office that the business entity lost at least ~~[50%]~~ 30% of the
78 business entity's monthly gross revenue:

79 (i) for a four-week period:

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

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

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

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

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

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

90 Section 3. Section **63N-14-201 (Repealed 05/31/21)** is amended to read:

91 **63N-14-201 (Repealed 05/31/21). Creation of the COVID-19 Commercial Rental**
92 **Assistance Program.**

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

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

96 (a) shall accept applications beginning on or after May 11, 2020, for commercial rental
97 assistance;

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

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

102 [~~(i) \$10,000; or]~~

103 [~~(ii) (A) if the qualified business entity demonstrates a monthly gross revenue loss of~~
104 ~~50% or greater, but less than 71%, an amount equal to 50% of the qualified business entity's~~
105 ~~monthly rent; or]~~

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

108 [~~(3) (a) Upon application, a business entity shall disclose whether the business entity~~
109 ~~has received or applied for funds from the Paycheck Protection Program described in the~~
110 ~~CARES Act.]~~

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

115 [~~(i) \$5,000; or]~~

116 [~~(ii) (A) if the qualified business entity demonstrates a monthly gross revenue loss of~~
117 ~~50% or greater, but less than 71%, an amount equal to 25% of the qualified business entity's~~
118 ~~monthly rent; or]~~

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

121 ~~[(c) A qualified business entity described in Subsection (3)(b) that receives more than~~
122 ~~the amount for which the qualified business entity is eligible under Subsection (3)(b) shall~~
123 ~~return to the office any funds for which the qualified business entity is not eligible.]~~

124 (c) subject to Subsection (3), may grant up to two months of rental assistance per
125 location for an applicant that is a qualified business entity in the following amounts:

126 (i) if the qualified business entity demonstrates a monthly gross revenue loss of 30% or
127 greater, but less than 45%, an amount equal to 50% of the qualified business entity's monthly
128 rent; or

129 (ii) if the qualified business entity demonstrates a monthly gross revenue loss of 45%
130 or greater, an amount equal to 100% of the qualified business entity's monthly rent.

131 (3) Notwithstanding the amounts described in Subsection (2)(c), the total maximum
132 amount of rental assistance that may be provided for rental assistance under the program may
133 be no more than:

134 (a) \$15,000 for a qualified business entity with one location; or

135 (b) \$30,000 for a qualified business entity with more than one location, with no more
136 than \$5,000 awarded per month for any one location.

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

138 (a) ~~[an affidavit]~~ a signed attestation that the business entity has lost at least ~~[50%]~~
139 30% of the business entity's monthly gross revenue as a result of federal, state, or local public
140 health measures taken to minimize the public's exposure to COVID-19; and

141 ~~[(b) the business entity's two most recent state or federal tax returns;]~~

142 ~~[(c) revenue reports for 2019 and the four months immediately preceding the day on~~
143 ~~which the business entity submits an application under the program; and]~~

144 ~~[(d) anything else the office requires.]~~

145 (b) any additional information or documentation required by the office as determined
146 by the office.

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

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

150 (b) the Legislature appropriates; and

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

152 Section 4. **Effective date.**

153 If approved by two-thirds of all the members elected to each house, this bill takes effect
154 upon approval by the governor, or the day following the constitutional time limit of Utah
155 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,
156 the date of veto override.