
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2894 Session of
2020

INTRODUCED BY WHEATLEY, FREEMAN, McNEILL, HOWARD, LONGIETTI,
DRISCOLL, A. DAVIS, SAMUELSON, BURGOS, SANCHEZ, GALLOWAY,
DeLUCA, CIRESI, DEASY, LEE, BRIGGS, INNAMORATO AND SOLOMON,
OCTOBER 14, 2020

REFERRED TO COMMITTEE ON COMMERCE, OCTOBER 14, 2020

AN ACT

1 Establishing the Save Our Stages (SOS) Grant Program and the
2 Save Our Stages (SOS) Fund; providing for duties of the
3 Department of Community and Economic Development; and making
4 an appropriation.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Save Our
9 Stages (SOS) Act.

10 Section 2. Definitions.

11 The following words and phrases when used in this act shall
12 have the meanings given to them in this section unless the
13 context clearly indicates otherwise:

14 "CARES Act." The Coronavirus Aid, Relief, and Economic
15 Security Act (Public Law 116-136, 134 Stat. 281).

16 "COVID-19." The coronavirus disease 2019, an infectious
17 disease caused by severe acute respiratory syndrome coronavirus
18 2.

1 "Department." The Department of Community and Economic
2 Development of the Commonwealth.

3 "Eligible operator, producer or promoter." As follows:

4 (1) A live venue operator, producer or promoter that
5 meets the following requirements:

6 (i) The live venue operator, producer or promoter
7 was fully operational within this Commonwealth as a live
8 venue operator, producer or promoter on February 29,
9 2020.

10 (ii) As of the date of the grant under this act, the
11 live venue operator, producer or promoter is organizing,
12 promoting, producing, managing or hosting future events
13 described in paragraph (1)(i) of the definition of "live
14 venue operator, producer or promoter."

15 (iii) The venue at which the live venue operator,
16 producer or promoter promotes, produces, manages or hosts
17 events described in paragraph (1)(i) of the definition of
18 "live venue operator, producer or promoter":

19 (A) Has a defined performance and audience
20 space.

21 (B) Has a mixing desk, public address system and
22 lighting rig.

23 (C) Employs not fewer than two of the following:

24 (I) A sound engineer.

25 (II) A booker.

26 (III) A promoter.

27 (IV) A stage manager.

28 (V) Security personnel.

29 (VI) A box office manager.

30 (VII) An executive director, program

1 director or the equivalent of an executive
2 director or program director.

3 (D) Has a paid ticket or cover charge to attend
4 most performances, where artists and entertainers are
5 paid fairly and do not play for free or solely for
6 tips, except for legitimate fundraisers or similar
7 charitable events.

8 (E) For a venue owned or operated by a nonprofit
9 entity that produces free events, produces and
10 manages events by paid employees, not by volunteers.

11 (F) Markets performances through listings in
12 printed or electronic publications, on websites, by
13 mass e-mail or on social media.

14 (iv) The live venue operator, producer or promoter
15 does not have, or is not majority-owned or controlled by
16 an entity with more than one of the following
17 characteristics:

18 (A) Being an issuer, the securities of which are
19 listed on a national securities exchange.

20 (B) Owning or operating venues or talent
21 agencies or talent management companies with offices
22 in more than one country.

23 (C) Owning or operating venues in more than 10
24 states.

25 (D) Employing more than 500 employees,
26 determined on a full-time equivalent basis, in
27 accordance with paragraph (2).

28 (E) Receiving more than 10% of gross revenue
29 from Federal funding.

30 (2) For purposes of determining the number of full-time

1 equivalent employees under paragraph (1)(iv)(D):

2 (i) An employee working not fewer than 30 hours per
3 week shall be considered a full-time employee.

4 (ii) An employee working not fewer than 10 hours and
5 fewer than 30 hours per week shall be counted as one-half
6 of a full-time employee.

7 "Exchange." As defined in section 3(a) of the Securities
8 Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. § 78c(a)(1)).

9 "Fund." The Save Our Stages (SOS) Fund established under
10 section 4.

11 "Issuer." As defined in section 3(a) of the Securities
12 Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. § 78c(a)(8)).

13 "Live venue operator, producer or promoter." As follows:

14 (1) An individual or entity domiciled in this
15 Commonwealth that:

16 (i) as not less than 70% of the operations of the
17 individual or entity, organizes, promotes, sells tickets,
18 produces, manages or hosts a live concert, comedy show,
19 theatrical production or other event by a performing
20 artist and applies a cover charge through ticketing or a
21 front door entrance fee; or

22 (ii) makes tickets to an event described in
23 subparagraph (i) available for purchase by the public an
24 average of not fewer than 60 days before the date of the
25 event and pays the performing artist in the event an
26 amount that is based on a percentage of sales, on a
27 guarantee in writing or in a standard contract or another
28 mutually beneficial formal agreement.

29 (2) The term shall include an individual or entity
30 described in paragraph (1) that:

1 (i) operates on a for-profit basis or nonprofit
2 basis;
3 (ii) is government-owned; or
4 (iii) is a corporation, limited liability company or
5 partnership or operated as a sole proprietorship.

6 "National securities exchange." An exchange registered as a
7 national securities exchange under section 6 of the Securities
8 Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. 78f).

9 "Program." The Save Our Stages (SOS) Program established
10 under section 3.

11 "Secretary." The Secretary of Community and Economic
12 Development of the Commonwealth.

13 "Security." As defined in section 3(a) of the Securities
14 Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. § 78c(a)(10)).

15 "State." A state of the United States, the District of
16 Columbia, the Commonwealth of Puerto Rico or any territory or
17 possession of the United States.

18 Section 3. Save Our Stages (SOS) Grant Program.

19 (a) Establishment.--The Save Our Stages (SOS) Grant Program
20 is established within the department.

21 (b) Duties of department.--The department shall provide
22 grants under the program in accordance with this act for an
23 eligible operator, producer or promoter.

24 Section 4. Save Our Stages (SOS) Fund.

25 (a) Establishment.--The Save Our Stages (SOS) Fund is
26 established as a special fund in the State Treasury.

27 (b) Use of fund.--Money appropriated under section 11 shall
28 be deposited into the fund to be used exclusively by the
29 department to award grants to each eligible operator, producer
30 or promoter.

1 Section 5. Grants for independent live venue operators.

2 (a) Authority.--The secretary may make an initial grant to
3 an eligible operator, producer or promoter in accordance with
4 this section.

5 (b) Amount.--A grant under subsection (a) shall be in the
6 amount equal to the greater of the following:

7 (1) The amount equal to 45% of the gross revenue of the
8 eligible operator, producer or promoter during 2019.

9 (2) For an eligible operator, producer or promoter that
10 began operations after January 1, 2019, the amount equal to
11 the product obtained by multiplying the average monthly gross
12 revenue for each full month during which the entity was in
13 operation during 2019 by six.

14 (3) \$2,000,000.

15 (c) Use of money.--

16 (1) An eligible operator, producer or promoter may use
17 amounts received under a grant under this section for any of
18 the following:

19 (i) Payroll costs for employees and furloughed
20 employees.

21 (ii) Rent.

22 (iii) Utilities.

23 (iv) Mortgage interest payments on existing
24 mortgages as of February 15, 2020.

25 (v) Scheduled interest payments on other scheduled
26 debt as of February 15, 2020.

27 (vi) Costs related to personal protective equipment.

28 (vii) Payments of principal on outstanding loans.

29 (viii) Payments made to independent contractors, as
30 reported on Form-1099 MISC.

1 (ix) Other ordinary and necessary business expenses,
2 including any of the following:

3 (A) Settling existing debts owed to vendors.

4 (B) Maintenance expenses.

5 (C) Administrative costs.

6 (D) Taxes.

7 (E) Operating leases.

8 (F) Insurance.

9 (G) Any other capital expenditure or expense
10 required under Federal, State or local law or
11 guideline related to social distancing.

12 (2) An eligible operator, producer or promoter may not
13 use amounts received under a grant under this section:

14 (i) to purchase real estate;

15 (ii) for payments of interest or principal on loans
16 originated after February 15, 2020;

17 (iii) to invest or re-lend money;

18 (iv) for contributions or expenditures to, or on
19 behalf of, a political party, party committee or
20 candidate for elective office; or

21 (v) for any other use as may be prohibited by the
22 secretary.

23 Section 6. Grant application forms.

24 (a) Development.--The department shall develop a grant
25 application form for a live venue operator, producer or promoter
26 to apply for a grant under the program.

27 (b) Contents.--At minimum, the grant application form shall
28 include the following information:

29 (1) The name, address and contact information of the
30 applicant.

1 (2) The applicant's eligibility for a grant under the
2 program.

3 (3) The amount of grant money requested under the
4 program.

5 (4) Any other information that the department deems
6 necessary and appropriate.

7 (c) Submission.--A live venue operator, producer or promoter
8 must submit the grant application form required under this
9 section to the department in the manner prescribed by the
10 department.

11 Section 7. Award of grants.

12 (a) Review of grants.--Not later than 20 days after receipt
13 of the grant application form under section 6, the department
14 shall review the grant application form and determine whether to
15 award a grant to the applicant under the program and, if so, the
16 amount of grant money to be awarded.

17 (b) Notice.--After conducting a review of the grant
18 application under subsection (a), the department shall provide
19 written notice to the applicant of the award or denial of the
20 grant under the program. The following shall apply:

21 (1) Notice of the award of a grant under the program
22 shall include the amount of the grant money awarded and all
23 conditions or restrictions on the use of the grant money.

24 (2) Notice of the denial of all or part of the grant
25 money requested under the program on the grant application
26 under subsection (a) shall include the reasons for full or
27 partial denial.

28 Section 8. Guidelines.

29 The department may promulgate guidelines for the
30 implementation and administration of this act.

1 Section 9. Public notice.

2 The department shall provide information regarding the
3 availability of grants under the program on the publicly
4 accessible Internet website of the department.

5 Section 10. Limitation on award of grants.

6 Subject to the availability of funding, a grant to an
7 applicant under the program shall not exceed \$2,000,000.

8 Section 11. Appropriation.

9 The sum of \$200,000,000 of the money available to the
10 Commonwealth under the CARES Act and any additional future
11 Federal dollars is appropriated to the department for the
12 purpose of awarding grants to applicants under the program.

13 Section 12. Expiration.

14 This act shall expire December 31, 2021.

15 Section 13. Effective date.

16 This act shall take effect immediately.