

116TH CONGRESS  
2D SESSION

# S. 3518

To provide grants to small business concerns, private nonprofit organizations, and small agricultural cooperatives affected by COVID–19, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 18, 2020

Mr. CARDIN (for himself and Ms. CANTWELL) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

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## A BILL

To provide grants to small business concerns, private nonprofit organizations, and small agricultural cooperatives affected by COVID–19, 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 “COVID–19 Recovery  
5 Grants for Small Businesses Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act—

1           (1) the terms “Administration” and “Adminis-  
2           trator” mean the Small Business Administration  
3           and the Administrator thereof;

4           (2) the term “eligible small business concern”  
5           means a small business concern that—

6                   (A) meets the applicable size standard es-  
7                   tablished under section 3 of the Small Business  
8                   Act (15 U.S.C. 632);

9                   (B) has not less than 2 employees and not  
10                  more than 50 employees;

11                  (C) due to the effects of COVID–19, suf-  
12                  fered—

13                           (i) a loss of revenue in 1 month great-  
14                           er than 50 percent as compared to the  
15                           same month in the previous year; or

16                           (ii) in the case of a business concern  
17                           that has been in operation for not less  
18                           than 4 months, a loss of revenue in 1  
19                           month greater than 50 percent as com-  
20                           pared to the average of the 3 previous  
21                           months;

22                  (D) can demonstrate an inability to pay  
23                  obligations or stay up-to-date on accounts or  
24                  payroll; and

1           (E) submitted an application for a loan  
2           under section 7(b)(2) of the Small Business Act  
3           (15 U.S.C. 636(b)(2)) and was denied assist-  
4           ance under such section because the small busi-  
5           ness concern is unable to repay the loan; and  
6           (3) the term “small business concern” has the  
7           meaning given the term in section 3 of the Small  
8           Business Act (15 U.S.C. 632).

9 **SEC. 3. ECONOMIC INJURY GRANTS.**

10       (a) GRANTS.—The Administration shall provide as-  
11       sistance to eligible small business concerns, private non-  
12       profit organizations, and small agricultural cooperatives  
13       that have suffered a substantial economic injury, directly  
14       or indirectly, as a result of COVID–19.

15       (b) AWARDING OF GRANTS AND UPDATES.—The Ad-  
16       ministration shall—

17           (1) award grants under this section as expedi-  
18       tiously as possible; and

19           (2) on a monthly basis until the date on which  
20       the authority under this section terminates, update  
21       the Committee on Small Business and Entrepre-  
22       neurship and the Committee on Appropriations of  
23       the Senate and the Committee on Small Business  
24       and the Committee on Appropriations of the House  
25       of Representatives on—

1 (A) the number of grants awarded under  
2 this section; and

3 (B) the geographic distribution of the  
4 grants by State and county.

5 (c) AMOUNT OF GRANT.—

6 (1) IN GENERAL.—Except as provided in para-  
7 graph (2), a grant provided under this section shall  
8 be in an amount that is not more than \$50,000.

9 (2) INCREASED GRANT AMOUNT.—The Admin-  
10 istrator may make a grant under this section of not  
11 more than \$100,000 if the Administrator dem-  
12 onstrates that doing so is necessary to assist eligible  
13 small business concerns, private nonprofit organiza-  
14 tions, and small agricultural cooperatives that the  
15 Administrator determines are vital to their local  
16 economies.

17 (3) SINGLE AWARD.—No eligible small business  
18 concern, private nonprofit organization, or small ag-  
19 ricultural cooperative may receive or directly benefit  
20 from more than 1 award made under this section.

21 (d) USE OF FUNDS.—An eligible small business con-  
22 cern, private nonprofit organization, or small agricultural  
23 cooperative that receives a grant under this section may  
24 use the grant funds to address the effects of COVID-19

1 through any of the permissible uses of funds under section  
2 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)).

3 (e) APPLICATION.—

4 (1) IN GENERAL.—An eligible small business  
5 concern, private nonprofit organization, or small ag-  
6 ricultural cooperative desiring a grant under this  
7 section shall submit to the Administration an appli-  
8 cation at such time, in such manner, and containing  
9 such information as the Administration may require.

10 (2) PRIORITY.—The Administrator shall—

11 (A) establish selection criteria to ensure  
12 that eligible small business concerns, private  
13 nonprofit organizations, and small agricultural  
14 cooperatives that are hardest hit by the effects  
15 of COVID–19 receive priority in the event that  
16 funding is not sufficient to provide grants to all  
17 that submit applications under paragraph (1);

18 (B) identify industry sectors for prioritiza-  
19 tion that have suffered uniquely and dispropor-  
20 tionately from COVID–19; and

21 (C) give priority to an applicant proposing  
22 to use grant funds for—

23 (i) providing paid sick leave to em-  
24 ployees unable to work due to the direct ef-  
25 fects of COVID–19;

1 (ii) maintaining payroll to retain em-  
2 ployees during business disruptions or sub-  
3 stantial slowdowns;

4 (iii) making rent and mortgage pay-  
5 ments; or

6 (iv) repaying obligations that cannot  
7 be met due to revenue losses.

8 (f) PROCEDURES.—The Administrator shall establish  
9 procedures to discourage and prevent waste, fraud, and  
10 abuse by applicants and recipients of grants under this  
11 section.

12 (g) PENALTIES FOR FRAUD AND MISAPPLICATION OF  
13 FUNDS.—Any applicant or recipient of a grant provided  
14 under this section shall be subject to all applicable provi-  
15 sions of Federal law, including section 1001 of title 18,  
16 United States Code, and the provisions of section 123.9  
17 of title 13, Code of Federal Regulations, or any successor  
18 regulation, relating to the misapplication of loan proceeds  
19 shall apply to grants provided under this section to the  
20 same extent as if those grants were loans provided under  
21 section 7(b)(2) of the Small Business Act (15 U.S.C.  
22 636(b)(2)).

23 (h) INSPECTOR GENERAL AUDIT.—Not later than  
24 180 days after the date on which the Administrator begins

1 to provide assistance under this section, the Inspector  
2 General of the Administration shall—

3           (1) conduct an audit of grants made under this  
4 section, which shall identify any discrepancies or  
5 irregularities in the grants; and

6           (2) submit to the Committee on Small Business  
7 and Entrepreneurship and the Committee on Appro-  
8 priations of the Senate and the Committee on Small  
9 Business and the Committee on Appropriations of  
10 the House of Representatives a copy of the audit  
11 conducted under paragraph (1).

12       (i) AUTHORIZATION OF APPROPRIATIONS.—There is  
13 authorized to be appropriated such sums as may be nec-  
14 essary to carry out this section.

15       (j) TERMINATION.—The authority to carry out  
16 grants under this section shall terminate on September 30,  
17 2021.

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