

116<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6409

To establish the Emergency Social Insurance Program in the Social Security Administration and Small Business Administration in order to address the injury concerns of certain small businesses and idle workers disproportionately affected by the COVID-19 crisis.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 27, 2020

Ms. OMAR (for herself, Ms. NORTON, Ms. SCHAKOWSKY, and Ms. TLAIB) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To establish the Emergency Social Insurance Program in the Social Security Administration and Small Business Administration in order to address the injury concerns of certain small businesses and idle workers disproportionately affected by the COVID-19 crisis.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Assistance for Busi-  
3 nesses and Local Economies Act” or the “ABLE Act of  
4 2020”.

5 **SEC. 2. ESTABLISHMENT AND COORDINATION OF THE**  
6 **EMERGENCY SOCIAL INSURANCE PROGRAM.**

7 (a) IN GENERAL.—The Administrator of the Social  
8 Security Administration and the Administrator of the  
9 Small Business Administration, under the direction of the  
10 Secretary of Labor and the Secretary of the Treasury, re-  
11 spectively, in consultation with the Commissioner of the  
12 Internal Revenue Service, shall establish a joint program  
13 to efficiently coordinate and deliver direct payments to af-  
14 fected small businesses and affected idle workers during  
15 the COVID-19 crisis.

16 (b) ESTABLISHMENT.—The Emergency Social Insur-  
17 ance Program shall be a dual approach for direct govern-  
18 ment assistance to meet full salary need of lost wages  
19 faced by affected idle workers and to meet full mainte-  
20 nance need of output losses faced by affected small busi-  
21 nesses in order to stabilize and shelter the economy from  
22 COVID-19.

23 (c) COORDINATION.—The Social Security Adminis-  
24 tration and the Department of Labor shall collaborate  
25 with States to increase and maximize unemployment in-  
26 surance benefits for affected idle workers through existing

1 State agency mechanisms. The Small Business Adminis-  
2 tration and the Department of the Treasury (with the In-  
3 ternal Revenue Service) shall be responsible for estab-  
4 lishing and managing a \$500 billion fund for direct eco-  
5 nomic injury grants for qualifying small businesses, with  
6 IRS assisting in verification and oversight of awards’  
7 amounts and uses.

8 (d) DEFINITIONS.—In this Act:

9 (1) SSA; SSA ADMINISTRATOR; SBA; SBA AD-  
10 MINISTRATOR; IRS; IRS COMMISSIONER.—The terms  
11 “SSA” and “SSA Administrator” mean the Social  
12 Security Administration and the Administrator  
13 thereof, the terms “SBA” and “SBA Administrator”  
14 mean the Small Business Administration and the  
15 Administrator thereof, the terms “IRS” and “IRS  
16 Commissioner” mean the Internal Revenue Service  
17 and the Commissioner thereof, respectively.

18 (2) COVID-19 CRISIS.—The term “COVID-19  
19 crisis” means the period that begins upon the date  
20 of the enactment of this Act and ends on the date  
21 of the termination by the Federal Emergency Man-  
22 agement Agency of the emergency declared on  
23 March 13, 2020, by the President under the Robert  
24 T. Stafford Disaster Relief and Emergency Assist-

1       ance Act (42 U.S.C. 4121 et seq.) relating to the  
2       Coronavirus Disease 2019 (COVID-19) pandemic.

3               (3) AFFECTED IDLE WORKER.—The term “af-  
4       fected idle worker” means an individual who, as a  
5       result of COVID-19—

6               (A) has no rights to regular compensation  
7       with respect to a week under State law or any  
8       other State unemployment compensation law or  
9       to compensation under any other Federal law;

10              (B) is not receiving any State or private  
11       paid leave with respect to such week; and

12              (C) can attest that—

13                      (i) the individual is not able or avail-  
14       able to work due to COVID-19 with re-  
15       spect to such week;

16                      (ii) the individual would be able and  
17       available to work during such week, if not  
18       for COVID-19; because

19                      (iii) the individual has a current diag-  
20       nosis of COVID-19;

21                      (iv) the individual is under quarantine  
22       (including self-imposed quarantine), at the  
23       instruction of a health care provider, em-  
24       ployer, or a local, State, or Federal official,

1 in order to prevent the spread of COVID-  
2 19;

3 (v) the individual is unable to engage  
4 in self-employment and had past net earn-  
5 ings from self-employment (as defined in  
6 section 1402(a) of the Internal Revenue  
7 Code of 1986) of not less than \$2500 dur-  
8 ing the 6-month period ending on the date  
9 of enactment of this Act;

10 (vi) the individual had a contract or  
11 other offer of employment suspended or re-  
12 scinded due to COVID-19;

13 (vii) the individual is engaged in  
14 caregiving (without compensation) for an  
15 individual who has a current diagnosis of  
16 COVID-19 or is under quarantine; or

17 (viii) the individual is engaged in  
18 caregiving (without compensation), because  
19 of the COVID-19-related closing of a  
20 school or other care facility or care pro-  
21 gram, for a child or other individual unable  
22 to provide self-care.

23 (4) AFFECTED SMALL BUSINESS.—The term  
24 “affected small business” means—

1 (A) a small business concern (as defined  
2 under section 3 of the Small Business Act (15  
3 U.S.C. 636));

4 (B) a family farm;

5 (C) an independent contractor; and

6 (D) any other affected additional covered  
7 entity, under section 5 of this Act, to which the  
8 Small Business Administration determines  
9 grants would promote full employment and fi-  
10 nancial stability during the COVID-19 crisis.

11 (5) AFFECTED SMALL BUSINESS CONCERN.—

12 The term “affected small business concern” means  
13 a small business concern that has experienced, as a  
14 result of COVID-19—

15 (A) supply chain disruptions, including  
16 changes in—

17 (i) quantity and lead time, including  
18 the number of shipments and components  
19 and delays in shipments;

20 (ii) quality, including shortages in  
21 supply for quality control reasons; and

22 (iii) technology, including a com-  
23 promised payment network;

24 (B) staffing challenges;

1 (C) a decrease in profits, sales, or cus-  
2 tomers; or

3 (D) a closure.

4 **SEC. 3. ENHANCEMENT OF EMERGENCY COVID-19 UNEM-**  
5 **PLOYMENT COMPENSATION FOR AFFECTED**  
6 **IDLE WORKERS.**

7 (a) IN GENERAL.—The Administrator of the Social  
8 Security Administration (referred to as the “SSA Admin-  
9 istrator” in this section), in consultation with the Sec-  
10 retary of Labor, shall assist States to offer expanded un-  
11 employment insurance for workers reporting as idle or un-  
12 employed, as a result of the public health emergency de-  
13 clared because of COVID-19.

14 (b) IDLE DEFINED.—The term “idle” means a work-  
15 er facing substantial economic uncertainty and hardship  
16 due the COVID-19 and its social distancing, including but  
17 not limited to—

18 (1) food service industry workers and hospi-  
19 tality workers;

20 (2) domestic workers and tipped workers;

21 (3) gig economy workers, freelancers, and other  
22 self-employed individuals; and

23 (4) independent contractors.

24 (c) FEDERAL-STATE AGREEMENTS.—Any State  
25 which desires to do so may enter into and participate in

1 an agreement under this section with the Secretary of  
2 Labor (hereinafter this section referred to as the “Sec-  
3 retary”). Any State which is a party to an agreement  
4 under this section may, upon providing 30 days’ written  
5 notice to the Secretary, terminate such agreement.

6 (d) PROVISIONS OF AGREEMENT.—

7 (1) IN GENERAL.—Any agreement under this  
8 section shall provide the following:

9 (A) EMERGENCY COVID-19 UNEMPLOY-  
10 MENT COMPENSATION.—The State agency of  
11 the State will make payments of regular com-  
12 pensation to individuals in amounts and to the  
13 extent that they would be determined if that  
14 State law of the State were applied, with re-  
15 spect to any week for which the individual is  
16 (disregarding this section) otherwise entitled  
17 under the State law to receive regular com-  
18 pensation, as if such State law had been modi-  
19 fied in a manner such that the amount of reg-  
20 ular compensation (including dependents’ allow-  
21 ances) payable for any week shall be equal to  
22 meet 100 percent salary—

23 (i) the amount determined under the  
24 State law (before the application of this  
25 paragraph), plus additional amount caps



1 (referred to as “Emergency COVID-19  
2 Unemployment Compensation” in this sec-  
3 tion), including—

4 (ii) up to an additional \$5,000 per  
5 month for all affected idle workers of such  
6 affected small businesses (described in sec-  
7 tion 3 of this Act);

8 (iii) up to an additional \$4,000 per  
9 month for all affected idle tipped workers,  
10 certain domestic workers, and independent  
11 contractors; and

12 (iv) up to an additional \$3,000 per  
13 month for all other affected and eligible  
14 self-employed individuals, such as gig econ-  
15 omy workers and freelancers.

16 (B) EMERGENCY COVID-19 SHORT-TIME  
17 COMPENSATION.—In the case of a State that  
18 provides under the State law for the payment of  
19 short-time compensation under a short-time  
20 compensation program (as defined in section  
21 3306(v) of the Internal Revenue Code of 1986),  
22 the State agency of the State will make pay-  
23 ments of compensation to employees partici-  
24 pating in such program in amounts and to the  
25 extent that they would be determined under

1 such program if the State law of the State were  
2 applied with respect to any week for which the  
3 individual is (disregarding this section) other-  
4 wise eligible under the program under the State  
5 law to receive such compensation, as if such  
6 State law had been modified in a manner such  
7 that the amount of compensation payable for  
8 any week shall be equal to the amount deter-  
9 mined under the State law (before the applica-  
10 tion of this paragraph) plus half the eligible  
11 amount of the caps in subparagraph (A) in this  
12 section (d).

13 (2) ALLOWABLE METHODS OF PAYMENT.—Any  
14 Emergency COVID-19 Unemployment Compensa-  
15 tion or Emergency COVID-19 Short-Time Com-  
16 pensation provided for in the accordance with para-  
17 graph (1) shall be payable either—

18 (A) as an amount which is paid at the  
19 same time and in the same manner as any com-  
20 pensation otherwise payable for the week in-  
21 volved; or

22 (B) at the option of the State, by pay-  
23 ments which are made separately from, but on  
24 the same weekly basis as, any compensation  
25 otherwise payable.

1           (e) NONREDUCTION RULE.—Any agreement under  
2 this section shall not apply (or shall cease to apply) with  
3 respect to a State upon a determination by the Secretary  
4 that the method governing computation of regular com-  
5 pensation under the State law of that State has been  
6 modified in a manner such that the maximum benefit enti-  
7 tlement and the average weekly benefit amount of regular  
8 compensation (or short-time compensation in the case of  
9 a State described in subsection (d)(1)(B) which will be  
10 payable during the period of the agreement (determined  
11 disregarding any Emergency COVID-19 Unemployment  
12 Compensation or Emergency COVID-19 Short-time Com-  
13 pensation) will be less than the maximum benefit entitle-  
14 ment and the average weekly benefit amount of regular  
15 compensation (or short-time compensation) which would  
16 otherwise have been payable during such period under the  
17 State law, as in effect on January 1, 2020.

18           (f) PAYMENTS TO STATES.—

19                 (1) IN GENERAL.—

20                         (A) FULL REIMBURSEMENT.—There shall  
21 be paid to each State which has entered into an  
22 agreement under this section an amount equal  
23 to 100 percent of—

24                                 (i) the total amount of Emergency  
25                                 COVID-19 Unemployment Compensation

1           paid to individuals by the State pursuant  
2           to such agreement;

3           (ii) the total amount of Emergency  
4           COVID-19 Short-Time Compensation paid  
5           to individuals. By the State pursuant to  
6           such agreement; and

7           (iii) any additional administrative ex-  
8           penses incurred by the State by reason of  
9           such agreement (as determined by the Sec-  
10          retary).

11          (B) TERMS OF PAYMENTS.—Sums payable  
12          to any State by reason of such State's having  
13          an agreement under this section shall be pay-  
14          able, either in advance or by way of reimburse-  
15          ment (as determined by the Secretary), in such  
16          amounts as the Secretary Estimates that State  
17          will be entitled to receive under this section for  
18          each calendar month, reduced or increased, as  
19          the case may be, by any amount by which the  
20          Secretary finds that his estimates for any prior  
21          calendar month were greater or less than the  
22          amount which should have been paid to the  
23          State. Such estimates may be made on the  
24          basis of such statistical, sampling, or other

1 method as may be agreed upon by the Secretary  
2 and the State agency of the State involved.

3 (2) CERTIFICATIONS.—The Secretary shall  
4 from time to time certify to the Secretary of the  
5 Treasury for payment to each State the sums pay-  
6 able to such State under this section.

7 (3) APPROPRIATION.—There are appropriated  
8 from the general fund of the Treasury, without fiscal  
9 year limitation, such sums as may be necessary for  
10 purposes of this subsection.

11 (g) APPLICABILITY.—

12 (1) IN GENERAL.—An agreement entered into  
13 under this section shall apply to weeks of unemploy-  
14 ment—

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

16 and

17 (B) ending on or before January 1, 2021.

18 (2) DURATION OF BENEFIT PAYMENTS.—An in-  
19 dividual who becomes entitled to such agreement will  
20 receive payments from a State or Agency for not  
21 more than 25 weeks.

22 (3) TRANSITION RULE FOR INDIVIDUALS RE-  
23 MAINING ENTITLED TO REGULAR COMPENSATION AS  
24 OF APRIL 30, 2021.—In the case of any individual  
25 who, as of the date specified in paragraph (1)(B),

1 has not yet exhausted all rights to regular com-  
2 pensation under the State law of a State with re-  
3 spect to a benefit year that began before such date  
4 (or short-time compensation in the case of State de-  
5 scribed in subsection (d)(1)(B) Emergency COVID-  
6 19 Unemployment Compensation or Emergency  
7 COVID-19 Short-Time Compensation provided for  
8 in the accordance with paragraph (1) shall be pay-  
9 able to such individual for any week beginning on or  
10 after such date for which the individual is otherwise  
11 eligible for regular compensation (or short-time com-  
12 pensation) with respect to such benefit year.

13 (4) TERMINATION.—Notwithstanding any other  
14 provision of this subsection, no Emergency COVID-  
15 19 Unemployment Compensation or Emergency  
16 COVID-19 Short-Time Compensation shall be pay-  
17 able for any week beginning after April 30, 2021,  
18 but Congress has the option to end this program  
19 earlier or extend it as well.

20 (h) FRAUD AND OVERPAYMENTS.—

21 (1) IN GENERAL.—If an individual knowingly  
22 has made, or caused to be made by another, a false  
23 statement or representation of a material fact, or  
24 knowingly has failed, or caused another to fail, to  
25 disclose a material fact, and as a result of such false

1 statement or representation of such nondisclosure  
2 such individual has received an amount of Emer-  
3 gency COVID-19 Unemployment Compensation or  
4 Emergency COVID-19 Short-Time Compensation to  
5 which such individual was not entitled, such indi-  
6 vidual—

7 (A) shall be ineligible for further Emer-  
8 gency COVID-19 Unemployment Compensation  
9 or Emergency COVID-19 Short-Time Com-  
10 pensation in accordance with provisions of the  
11 applicable State unemployment compensation  
12 law relating to fraud in connection with a claim  
13 for unemployment compensation; and

14 (B) shall be subject to prosecution under  
15 section 1001 of title 18, United States Code.

16 (2) REPAYMENT.—In the case of individuals  
17 who have received amounts of Emergency COVID-  
18 19 Unemployment Compensation or Emergency  
19 COVID-19 Short-Time Compensation to which they  
20 were not entitled, the State shall require such indi-  
21 viduals to repay the amounts of such Emergency  
22 COVID-19 Unemployment Compensation or Emer-  
23 gency COVID-19 Short-Time Compensation to the  
24 State agency, except that the State agency may  
25 waive such repayment if it determines that—

1 (A) the payment of such Emergency  
2 COVID-19 Unemployment Compensation or  
3 Emergency COVID-19 Short-Time Compensa-  
4 tion was without fault on the part of any such  
5 individual; and

6 (B) such repayment would be contrary to  
7 equity and good conscience.

8 (3) RECOVERY BY STATE AGENCY.—

9 (A) IN GENERAL.—The State agency may  
10 recover the amount to be repaid, or any part  
11 thereof, by deductions from any Emergency  
12 COVID-19 Unemployment Compensation or  
13 Emergency COVID-19 Short-Time Compensa-  
14 tion payable to such individual or from any un-  
15 employment payable to such individual under  
16 any State or Federal unemployment compensa-  
17 tion law administered by the State agency or  
18 under any other State or Federal law adminis-  
19 tered by the State agency which provides for  
20 the payment of any assistance or allowance with  
21 respect to any week of unemployment, during  
22 the 3-year period after the date such individuals  
23 received the payment of the Emergency  
24 COVID-19 Unemployment Compensation or  
25 Emergency COVID-19 Short-Time Compensa-



1           tion to which they were not entitled, in accord-  
2           ance with the same procedures as apply to the  
3           recovery of overpayments of regular unemploy-  
4           ment benefits paid by the State.

5                   (B) OPPORTUNITY FOR HEARING.—No re-  
6           payment shall be required, and no deduction  
7           shall be made, until a determination has been  
8           made, notice thereof and an opportunity for a  
9           fair hearing has been given to the individual,  
10          and the determination has become final.

11                   (4) REVIEW.—Any determination by a State  
12          agency under this section shall be subject to review  
13          in the same manner and to the same extent as deter-  
14          minations under the State unemployment compensa-  
15          tion law, and only in that manner and to that ex-  
16          tent.

17                   (i) APPLICATION TO OTHER UNEMPLOYMENT BENE-  
18          FITS.—

19                   (1) IN GENERAL.—Each agreement under this  
20          section shall include provisions to provide that the  
21          purposes of the preceding provisions of this section  
22          shall be applied with respect to unemployment bene-  
23          fits described in section (i)(3) to the same extent  
24          and in the same manner as if those benefits were  
25          regular compensation.

1           (2) ELIGIBILITY AND TERMINATION RULES.—  
2       Emergency COVID-19 Unemployment Compensa-  
3       tion—

4           (A) shall not be payable, pursuant to this  
5       subsection, with respect to any unemployment  
6       benefits described in subsection (i)(3) for any  
7       week beginning on or after the date specified in  
8       subsection (g)(1)(B), except in the case of an  
9       individual who was eligible to receive Emer-  
10      gency COVID-19 Unemployment Compensation  
11      in connection with any regular compensation or  
12      any other unemployment benefits described in  
13      subsection (i)(3) for any period of unemploy-  
14      ment ending before such date; and

15          (B) shall in no event be payable for any  
16      week beginning after date specified in sub-  
17      section (g)(3).

18      (j) TREATMENT OF EMERGENCY COVID-19 UNEM-  
19      PLOYMENT COMPENSATION AND EMERGENCY COVID-19  
20      SHORT-TIME COMPENSATION PAYMENTS.—An Emer-  
21      gency COVID-19 Unemployment Compensation and  
22      Emergency COVID-19 Short-Time Compensation pay-  
23      ment shall not be regarded as income and shall not be  
24      regarded as a resource for the money of receipt and the  
25      following 9 months, for purposes of determining the eligi-

1 bility of the recipient (or the recipient’s spouse or family)  
2 for benefits or assistance, or the amount or extent of bene-  
3 fits or assistance, under any Federal program or under  
4 any State or local program financed in whole or in part  
5 with Federal funds.

6 (k) DEFINITIONS.—For purposes of this section—

7 (1) the terms “compensation”, “regular com-  
8 pensation”, “benefit year”, “State”, “State agency”,  
9 “State law”, and “week” have the respective mean-  
10 ings given such terms under section 205 of the Fed-  
11 eral-State Extended Unemployment Compensation  
12 Act of 1970 (26 U.S.C. 3304);

13 (2) the term “maximum benefit entitlement”  
14 means the amount of regular compensation payable  
15 to an individual with respect to the individual’s ben-  
16 efit year; and

17 (3) any reference to unemployment benefits de-  
18 scribed in this paragraph shall be considered to refer  
19 to—

20 (A) extended compensation (as defined by  
21 section 205 of the Federal-State Extended Un-  
22 employment Compensation Act of 1970); and

23 (B) unemployment compensation (as de-  
24 fined by section 85(b) of the Internal Revenue  
25 Code of 1986) provided under any program ad-

1 ministered by a State under an agreement with  
2 the Secretary.

3 **SEC. 4. EMERGENCY DIRECT COMPENSATION FOR AF-**  
4 **FECTED ADDITIONAL COVERED ENTITIES.**

5 (a) IN GENERAL.—The Administrator of the Small  
6 Business Administration in consultation with the Sec-  
7 retary of the Treasury and the Commissioner of the Inter-  
8 nal Revenue Service, shall provide grants to additional  
9 covered entities that have suffered a substantial economic  
10 injury (as defined in section 7(b)(2) of the Small Business  
11 Act (15 U.S.C. 636(b)(2))), directly or indirectly, as a re-  
12 sult of the public health emergency declared because of  
13 COVID-19.

14 (b) ADDITIONAL COVERED ENTITY DEFINED.—The  
15 term “additional covered entity” means—

16 (1) a business concern that employs not more  
17 than 500 employees per physical location of the busi-  
18 ness concern and that is assigned a North American  
19 Industry Classification System code beginning with  
20 71; 72; 44; 45;

21 (2) a small business concern (as defined under  
22 section 3 of the Small Business Act (15 U.S.C.  
23 632)); and

24 (3) if such person was in operation on or before  
25 January 31, 2020—

1 (A) an individual who operates under a  
2 sole proprietorship or as an independent con-  
3 tractor;

4 (B) a cooperative that employs not more  
5 than 500 employees per physical location of the  
6 cooperative;

7 (C) an ESOP (as defined in section  
8 3(q)(6) of the Small Business Act (15 U.S.C.  
9 632(q)(6))) that employs not more than 500  
10 employees per physical location of the ESOP;

11 (D) an organization serving veterans or  
12 members of the Armed Forces (as defined in  
13 section 501(c)(19) of the Internal Revenue  
14 Code of 1986, that is exempt from taxation  
15 under subsection (a) of such sections);

16 (E) a private nonprofit organization that  
17 employs not more than 500 employees per phys-  
18 ical location of the organization; or

19 (F) a start-up small business concern that  
20 employs not more than 500 employees per phys-  
21 ical location of the concern.

22 (c) PRIORITY.—The SBA Administrator shall con-  
23 sider prioritizing certain small businesses in initial rounds  
24 of grantmaking such as—

1           (1) a small business concern that employs not  
2 more than 100 employees per physical location;

3           (2) a minority-owned small business concern, a  
4 woman-owned small business concern, or a veteran-  
5 owned small business concern;

6           (3) a small business concern where the owner's  
7 pay is equal to or less than 25 times the average  
8 worker pay; or

9           (4) a small business concern that has not fired  
10 or laid off its employees yet, reduced the salaries or  
11 wages of its employees, or changed any labor con-  
12 tracts, such as collective bargaining rights, for its  
13 employees in the interim, unless exceptions provided  
14 within subsection (o)(5) are met.

15       (d) SELF-REPORTING IN APPLICATION.—The SBA  
16 Administrator, in coordination with the IRS Commis-  
17 sioner, shall consider the necessary maintenance costs, as  
18 established in subsection (l), self-reported by qualifying  
19 additional covered entities, to determine the sufficient  
20 amount of grants. An eligible recipient seeking such a  
21 grant under this section shall submit documentation to the  
22 SBA and IRS that include—

23           (1) documentation verifying the number of full-  
24 time equivalent employees on payroll and pay rates

1 for the periods described in subsection (d), includ-  
2 ing—

3 (A) payroll tax filings reported to the In-  
4 ternal Revenue Service; and

5 (B) State income, payroll, and unemploy-  
6 ment insurance filings;

7 (2) documentation, including cancelled checks,  
8 payment receipts, transcripts of accounts, or other  
9 documents verifying payments on covered mortgage  
10 obligations, payments on covered lease obligations,  
11 and covered utility payments;

12 (3) a certification from a representative of the  
13 eligible recipient authorized to make such certifi-  
14 cations that—

15 (A) the documentation presented is true  
16 and correct; and

17 (B) the amount for which the grant is re-  
18 quested was used to retain employees, make in-  
19 terest payments on a covered mortgage obliga-  
20 tion, make payments on a covered rent obliga-  
21 tion, or make covered utility payments; and

22 (4) any other documentation the SBA Adminis-  
23 trator determines necessary.

24 (e) ADDITIONAL PROCESSES.—The SBA Adminis-  
25 trator shall also be able to use the existing direct loan

1 application process administered under section 7(b) of the  
2 Small Business Act (15 U.S.C. 636(b)) to disburse grant  
3 funds, to the greatest extent possible, within 7 days after  
4 receiving an application from an additional covered entity.

5 (f) VERIFICATION OF ELIGIBILITY.—Before dis-  
6 bursing amounts under this subsection, the SBA Adminis-  
7 trator shall verify that the applicant is an additional cov-  
8 ered entity.

9 (g) VERIFICATION OF AMOUNT.—After disbursing  
10 amounts under this subsection, the SBA Administrator,  
11 in consultation with the IRS commissioner, shall verify  
12 that the requested amount for grants from an additional  
13 covered entity did not exceed necessary maintenance costs,  
14 not later than 1 year after the end date or termination  
15 of this Act.

16 (h) OVERPAYMENT.—Excess compensation in the  
17 form of any overpayment of grants, as examined and de-  
18 termined by the IRS and SBA in post-award reviews, shall  
19 be automatically considered as zero-interest loans to be  
20 paid and returned to the United States Government.

21 (i) EXEMPTION FROM AFFILIATION RULES.—For  
22 purposes of this section, the SBA Administrator shall sus-  
23 pend the application of the affiliation rules of the Small  
24 Business Administration during the period beginning on  
25 January 31, 2020, and ending on September 30, 2021,



1 expect that individual affiliates may not exceed the current  
2 small business size standard for the industry in which the  
3 affiliate operates, and any group of affiliates may not re-  
4 ceive more than 3 times the maximum allowable grant  
5 amount under subsection (j).

6 (j) AMOUNT OF GRANTS.—The amount of a grant  
7 provided under this section shall not be more than  
8 \$100,000. The SBA Administrator shall have the discre-  
9 tion to increase this cap for certain qualifying additional  
10 covered entities to ensure meeting 100 percent necessary  
11 maintenance costs.

12 (k) AUTOMATIC MULTIPLE PAYMENTS.—Additional  
13 covered entities that receive their first grant will automati-  
14 cally be considered for and delivered another grant at the  
15 same level for at least the next four months, unless self-  
16 opted out or determined by the SBA Administrator.

17 (l) USE OF FUNDS ONLY FOR NECESSARY MAINTENANCE COSTS.—An additional covered entity that receives  
18 grants under this section may use the grant funds for nec-  
19 essary maintenance costs to address the direct effects of  
20 the COVID-19 pandemic, including—

22 (1) payroll support, including paid sick, med-  
23 ical, or family leave and costs related to the continu-  
24 ation of health care benefits;

1           (2) maintaining payroll to retain employees dur-  
2           ing business disruptions or substantial slowdowns;

3           (3) meeting increased costs to obtain materials  
4           unavailable from the original source of the additional  
5           covered entity due to interrupted supply chains;

6           (4) making payments under a lease or mortgage  
7           loan, or a contract for utility services, related to a  
8           place of operation of the additional covered entity;

9           (5) repaying obligations that cannot be met due  
10          to revenue losses; and

11          (6) other expenses, as deemed appropriate by  
12          the Administrator.

13          (m) ELIGIBILITY FOR ADDITIONAL ASSISTANCE.—  
14          An additional covered entity that receives grants under  
15          this section may also apply for a zero-interest loan under  
16          subsection (a) or (b) of section 6 of the Small Business  
17          Act (15 U.S.C. 636).

18          (n) TAXABILITY.—Grant amounts, canceled indebt-  
19          edness, and other awards under this section shall be ex-  
20          cluded from gross income for purposes of the Internal  
21          Revenue Code of 1986.

22          (o) LIMITS ON AMOUNT OF GRANTS.—

23                  (1) REDUCTION BASED ON REDUCTION IN NUM-  
24                  BER OF EMPLOYEES.—

1 (A) IN GENERAL.—The amount of grants  
2 under this section shall be substantially re-  
3 duced, but not increased, by multiplying the  
4 amount described in subsection (j) by the  
5 quotient obtained by dividing—

6 (i) the average number of full-time  
7 equivalent employees per month employed  
8 by the eligible recipient during the covered  
9 period; by

10 (ii)(I) the average number of full-time  
11 equivalent employees per month employed  
12 by the eligible recipient during the period  
13 beginning on February 15, 2019, and end-  
14 ing on June 30, 2019;

15 (II) if the eligible recipient was not in  
16 operation before June 30, 2019, the aver-  
17 age number of full-time equivalent employ-  
18 ees per month employed by the eligible re-  
19 cipient during the period beginning on  
20 January 1, 2020, and ending on February  
21 29, 2020; or

22 (III) in the case of an eligible recipi-  
23 ent that is a seasonal employer, as deter-  
24 mined by the SBA Administrator, the aver-  
25 age number of full-time equivalent employ-

1           ees per month employed by the eligible re-  
2           cipient during the beginning on February  
3           15, 2019, and ending on June 30, 2019.

4           (B) CALCULATION OF AVERAGE NUMBER  
5           OF EMPLOYEES.—For purposes of subpara-  
6           graph (A), the average number of full-time  
7           equivalent employees shall be determined by  
8           calculating the average number of full-time  
9           equivalent employees for each pay period falling  
10          with a month.

11          (2) REDUCTION RELATING TO SALARY AND  
12          WAGES.—

13           (A) IN GENERAL.—The amount of grants  
14           under this section shall be reduced by the  
15           amount of any reduction in total salary or  
16           wages of any employee described in subpara-  
17           graph (B) during the covered period that is in  
18           excess of 25 percent of the total salary or wages  
19           of the employee during the most recent full  
20           quarter during which the employee was em-  
21           ployed before the covered period.

22           (B) EMPLOYEES DESCRIBED.—An em-  
23           ployee described in this subparagraph is any  
24           employee who did not receive, during any single  
25           pay period during 2019, wages or salary at an

1           annualized rate of pay in an amount more than  
2           \$100,000.

3           (3) EXCEPTION FOR TIPPED WORKERS.—An el-  
4           igible recipient with tipped employees described in  
5           section 3(m)(2)(A) of the Fair Labor Standards Act  
6           of 1938 (29 U.S.C. 203(m)(2)(A)) may receive for-  
7           giveness for additional wages paid to those employ-  
8           ees.

9           (4) INELIGIBILITY AND EXCLUSION FROM FU-  
10          TURE CONSIDERATION OF FUNDS.—The SBA Ad-  
11          ministrators shall consider immediately stopping and  
12          excluding any future grants for additional covered  
13          entities that fire their employees during the payment  
14          period.

15          (5) EXCEPTION FOR RE-HIRES.—

16                 (A) IN GENERAL.—In a circumstance de-  
17                 scribed in paragraph (4), the amount of grants  
18                 under this section shall be determined without  
19                 regard to a reduction in the number of full-time  
20                 equivalent employees of an eligible recipient or  
21                 a reduction in the salary of 1 or more employ-  
22                 ees of the eligible recipient, as applicable, dur-  
23                 ing the period beginning on February 15, 2020,  
24                 and ending on April 1, 2020.

1 (B) CIRCUMSTANCES.—A circumstance de-  
2 scribed in this subparagraph is a cir-  
3 cumstance—

4 (i) in which—

5 (I) during the period beginning  
6 on February 15, 2020, and ending on  
7 April 1, 2020, there is a reduction, as  
8 compared to February 15, 2020, in  
9 the number of full-time equivalent em-  
10 ployees of an eligible recipient; and

11 (II) not later than June 30,  
12 2020, the eligible employer has elimi-  
13 nated the reduction in the number of  
14 full-time equivalent employees;

15 (ii) in which—

16 (I) during the period beginning  
17 on February 15, 2020, and ending in  
18 April 1, 2020, there is a reduction, as  
19 compared to February 15, 2020, in  
20 the salary or wages of 1 or more em-  
21 ployees of the eligible recipient; and

22 (II) not later than June 30,  
23 2020, the eligible employer has elimi-  
24 nated the reduction in the salary or  
25 wages of such employees; or

1 (iii) in which the events described in  
2 clauses (i) and (ii) occur.

3 (p) PROCEDURES.—The SBA Administrator shall es-  
4 tablish procedures, in coordination with the SSA Adminis-  
5 trator and IRS Commissioner, to verify and document the  
6 compliance of an additional covered entity that receives  
7 grants under this section with the requirements under this  
8 section in order to prevent waste, fraud, and abuse of such  
9 grant funds.

10 (q) REGULATIONS.—Not later than 30 days after the  
11 date of enactment of this Act, the SBA Administrator, in  
12 consultation with the IRS Commissioner, shall issue guid-  
13 ance and regulations implementing this section.

14 (r) REPORT.—Not later than March 31, 2022, the  
15 SBA Administrator shall submit to Congress a report that  
16 includes—

17 (1) the number of grants made under this sec-  
18 tion, disaggregated by the number of grants made  
19 per 10,000 amount;

20 (2) the average amount of a grant award;

21 (3) an analysis of the program established  
22 under this section and recommendations for im-  
23 provement;

24 (4) the average time from receipt of an applica-  
25 tion to approval of grant under this section; and

1           (5) the average time from approval of grant to  
2           disbursement of grant funds.

3           (s) AUTHORIZATIONS OF APPROPRIATIONS.—There  
4           is authorization to be appropriated \$500,000,000,000 of  
5           the SBA Administrator to carry out this section. Congress  
6           shall consider increasing funds at the request of the SBA  
7           Administrator.

8           (t) TERMINATION.—The authority to carry out  
9           grants under this subsection shall terminate on April 30,  
10          2021.

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