

116TH CONGRESS
2D SESSION

S. 3718

To expand the waiver of affiliation rules for certain business concerns with more than 1 physical location, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 13, 2020

Ms. CANTWELL (for herself, Mr. BOOZMAN, Ms. KLOBUCHAR, Ms. ERNST, and Mr. SCHUMER) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To expand the waiver of affiliation rules for certain business concerns with more than 1 physical location, 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 “Local News and Emer-
5 gency Information Act of 2020”.

6 **SEC. 2. AMENDMENTS TO THE PAYCHECK PROTECTION**
7 **PROGRAM.**

8 Section 7(a)(36)(D) of the Small Business Act (15
9 U.S.C. 636(a)(36)(D)) is amended—

1 (1) in clause (iii)—

2 (A) by striking “business concern that em-
3 ploys” and inserting the following: “business
4 concern that—

5 “(I) employs”;

6 (B) in subclause (I), by striking the period
7 at the end and inserting “; or”; and

8 (C) by adding at the end the following:

9 “(II) is assigned a North Amer-
10 ican Industry Classification System
11 code beginning with 511110, 515112,
12 or 515120 at the time of disbursement
13 shall be eligible to receive a covered
14 loan for business expenses of the busi-
15 ness concern that are associated with
16 an individual physical location of that
17 business concern, provided that—

18 “(aa) the proceeds of the
19 loan are used to support expenses
20 associated with the continued
21 provision of local news, informa-
22 tion, content, or emergency infor-
23 mation; and

24 “(bb) at the time of dis-
25 bursal, the individual physical lo-

1 cation does not exceed the size
2 standard established by the Ad-
3 ministrator for the applicable
4 code.”;

5 (2) in clause (iv)—

6 (A) in subclause (II), by striking “and” at
7 the end;

8 (B) in subclause (III), by striking the pe-
9 riod at the end and inserting “; and”; and

10 (C) by adding at the end the following:

11 “(IV) an individual physical loca-
12 tion of a business concern that, as of
13 the date on which the covered loan is
14 disbursed, is assigned a North Amer-
15 ican Industry Classification System
16 code beginning with 511110, 515112,
17 or 515120 and does not exceed the
18 size standard established by the Ad-
19 ministrator for the applicable code,
20 provided that, as a condition of the
21 waiver under this subclause, the busi-
22 ness concern shall not pay, distribute,
23 or otherwise provide the covered loan
24 or any portion of the covered loan to
25 any other entity other than the indi-

1 vidual physical location that is the in-
2 tended recipient of the covered loan.”;
3 and

4 (3) by adding at the end the following:

5 “(vii) TREATMENT OF CERTAIN BUSI-
6 NESS CONCERNS.—

7 “(I) IN GENERAL.—A business
8 concern that is assigned a North
9 American Industry Classification Sys-
10 tem Code beginning with 511110,
11 515112, or 515120 at the time of dis-
12 bursal of a covered loan and is a
13 franchisee or affiliate of or owned or
14 controlled by a parent company or an
15 investment company, or management
16 thereof, shall be treated as an inde-
17 pendent, non-affiliated entity upon
18 certification to the Administrator that
19 the request for the covered loan is
20 necessary to support expenses associ-
21 ated with the continued provision of
22 local news, information, content, or
23 emergency information.

24 “(II) REPORT.—The Adminis-
25 trator and the Secretary of the Treas-

1 ury shall submit to the Committee on
2 Small Business and Entrepreneurship
3 of the Senate, the Committee on
4 Small Business of the House of Rep-
5 resentatives, and the Congressional
6 Oversight Commission established
7 under section 4020 of division B of
8 the CARES Act (Public Law 116-
9 136) a report regarding covered loans
10 made to business concerns described
11 in subclause (I).”.

○