

Senate File 325 - Introduced

SENATE FILE 325

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A BILL FOR

1 An Act relating to the Iowa small business relief program,
2 making appropriations, and including effective date
3 provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. IOWA SMALL BUSINESS RELIEF PROGRAM.

2 1. a. There is appropriated from the general fund of the
3 state to the economic development authority for the fiscal year
4 beginning July 1, 2020, and ending June 30, 2021, the following
5 amount, or so much thereof as is necessary, to be used for the
6 purposes designated:

7 For the Iowa small business relief program:

8 \$100,000,000

9 b. Eligibility for grants awarded under the program shall be
10 expanded to include the following:

11 (1) Sole proprietors that were an established business
12 prior to March 17, 2020, who are owners and that had no
13 employees.

14 (2) Businesses that employed up to fifty individuals prior
15 to March 17, 2020.

16 c. Eligibility requirements for grants awarded under the
17 program to businesses, which includes sole proprietors, must
18 include all of the following:

19 (1) The business must have been physically located in Iowa
20 prior to March 17, 2020, and must currently be physically
21 located in Iowa.

22 (2) The business must not have been in violation of any
23 federal, state, or local environmental or worker safety laws,
24 rules, or regulations at any time in the last five years.

25 (3) The business must only employ individuals legally
26 authorized to work in the state.

27 (4) The business must not currently be in bankruptcy.

28 d. Grants shall be between five and twenty thousand dollars
29 and a business shall not receive more than one grant under the
30 program.

31 2. Notwithstanding section 8.33, moneys appropriated in
32 this section that remain unencumbered or unobligated at the
33 close of the fiscal year shall not revert but shall remain
34 available for expenditure for the purposes designated until the
35 close of the succeeding fiscal year.

1 Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate
2 importance, takes effect upon enactment.

3 EXPLANATION

4 The inclusion of this explanation does not constitute agreement with
5 the explanation's substance by the members of the general assembly.

6 For the fiscal year beginning July 1, 2020, and ending June
7 30, 2021, this bill appropriates \$100 million from the general
8 fund of the state to the economic development authority for the
9 Iowa small business relief program (program).

10 The bill expands eligibility under the program to include
11 sole proprietors that were an established business prior to
12 March 17, 2020, who are owners and that had no employees; and
13 businesses that employed up to 50 individuals prior to March
14 17, 2020. Current eligibility under the program includes
15 sole proprietors that had at least one part-time or full-time
16 employee other than the owner, and businesses that employed
17 between 2 and 25 employees.

18 The bill adds additional requirements as specified in the
19 bill for businesses, which includes sole proprietors, to be
20 eligible for a grant. The bill specifies that the minimum
21 grant that may be awarded is \$5,000 and the maximum grant that
22 may be awarded under the program is \$20,000. The current
23 maximum grant amount is \$25,000. Under the bill, a business is
24 only eligible for one grant under the program.

25 The moneys appropriated that remain unencumbered or
26 unobligated at the close of the fiscal year do not revert and
27 remain available for expenditure for the program until June 30,
28 2022.

29 The bill is effective upon enactment.