

1 Introduced by Committee on Commerce and Economic Development

2 Date:

3 Subject: Economic development; flood recovery; business assistance

4 Statement of purpose of bill as introduced: This bill proposes to require the
5 Vermont Economic Development Authority to establish the Flood Recovery
6 Assistance Program (FRAP) to provide financial assistance to nonprofit and
7 for-profit businesses in the State that suffered economic harm due to the floods
8 and heavy rainfall in 2023.

9 An act relating to establishing the Flood Recovery Assistance Program

10 It is hereby enacted by the General Assembly of the State of Vermont:

11 Sec. 1. FLOOD RECOVERY ASSISTANCE PROGRAM

12 (a) Establishment. The Vermont Economic Development Authority
13 (Authority) shall establish the Flood Recovery Assistance Program (FRAP) to
14 provide forgivable loans to nonprofit and for-profit businesses in the State that
15 suffered economic harm due to the floods and heavy rainfall in 2023.

16 (b) Eligible Applicants. An eligible applicant is a business entity,
17 including sole proprietorships, farming enterprises, forest product businesses,
18 and nonprofit organizations that meet all of the following criteria:

19 (1) The applicant was established prior to July 1, 2023.

20 (2) The applicant is open or is in the process of re-opening.

1 (3) The applicant can demonstrate economic harm as a result of the
2 floods and heavy rainfall during 2023. “Economic harm” means a decline in
3 an eligible applicant’s financial performance due to the floods and heavy
4 rainfall during 2023.

5 (c) Maximum loan amount. The lesser of \$?.00 and the difference between
6 the applicant’s financial performance during the four month period of July ?,
7 2022 through October ?, 2022 compared to the same period in 2023.

8 (d) Forgivable loan amounts. Forgivable loan amounts will reflect net
9 unrecovered damages. This is the amount remaining after subtracting any
10 estimated or received insurance proceeds and other State and federal grants and
11 subsidies, including Federal Emergency Management Agency (FEMA)
12 assistance and philanthropic donations.

13 (e) Eligible Uses. Loan proceeds may be used for general working capital
14 needs including payroll, accounts payable, and notes payable to third parties.
15 Proceeds may not be used for capital expenditures or to repair physical damage
16 to business assets.

17 (f) Loan Forgiveness. The Authority will approve loan forgiveness based
18 on documentation evidencing loan proceeds were used for eligible purposes.

19 (g) Criteria. The Authority shall develop criteria for loan amounts under
20 this section, including priority eligibility for businesses owned by persons of

- 1 color and indigenous peoples and businesses owned by new Americans. U.S.
- 2 citizenship shall not be a requirement for eligibility under the Program.
- 3 (h) Appropriation. In addition to other funds appropriated to the Agency of
- 4 Commerce and Community Development in fiscal year 2025, \$40,000,000.00
- 5 from the General Fund is appropriated to the Authority for forgivable loans
- 6 under this section.
- 7 Sec. 2. EFFECTIVE DATE
- 8 This act shall take effect on passage.