AN ACT

Amending the act of April 9, 1929 (P.L. 343, No. 176), entitled "An act relating to the finances of the State government; providing for cancer control, prevention and research, for ambulatory surgical center data collection, for the Joint Underwriting Association, for entertainment business financial management firms, for private dam financial assurance and for reinstatement of item vetoes; providing for the settlement, assessment, collection, and lien of taxes, bonus, and all other accounts due the Commonwealth, the collection and recovery of fees and other money or property due or belonging to the Commonwealth, or any agency thereof, including escheated property and the proceeds of its sale, the custody and disbursement or other disposition of funds and securities belonging to or in the possession of the Commonwealth, and the settlement of claims against the Commonwealth, the resettlement of accounts and appeals to the courts, refunds of moneys erroneously paid to the Commonwealth, auditing the accounts of the Commonwealth and all agencies thereof, of all public officers collecting moneys payable to the Commonwealth, or any agency thereof, and all receipts of appropriations from the Commonwealth, authorizing the Commonwealth to issue tax anticipation notes to defray current expenses, implementing the provisions of section 7(a) of Article VIII of the Constitution of Pennsylvania authorizing and restricting the incurring of certain debt and imposing penalties; affecting every department, board, commission, and officer of the State government, every political subdivision of the State, and certain officers of such subdivisions, every person, association, and corporation required to pay, assess, or collect taxes, or to make returns or reports under the laws imposing taxes for State purposes, or to pay license fees or other moneys to the Commonwealth, or any agency thereof,
The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. The act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, is amended by adding a section to read:

Section 135-C. Entertainment Venue Industry Recovery Program.

(a) County block grants.--From money appropriated by the General Assembly for the distribution of grants under this section, each county shall receive an amount equal to the population proportion amount as determined under paragraph (2).

The following shall apply:

(1) The department shall distribute funding to counties in accordance with this subsection no later than 21 days after the starting date.

(2) For purposes of this subsection, the population proportion amount shall be determined as follows:

   (i) Divide:

   (A) the population estimate of the county; by

   (B) the sum of the population estimates of all counties; and

   (ii) Multiply the quotient under subparagraph (i) by the total amount appropriated by the General Assembly for the distribution of grants under this section.

(3) For the purpose of this subsection, a county's population shall be equal to the published estimate by the United States Census Bureau's Population Estimates Program for calendar year 2019.

(b) Entertainment Venue Industry Recovery Program.--The County Block Grant - Entertainment Venue Industry Recovery
Program is established within the department for the purpose of awarding grants under this section. The following shall apply to the program:

(1) No later than 22 days after the starting date, each county that receives a grant under this section shall contract with at least one CEDO or CDFI designated to serve that county to award grants under this section.

(2) Subject to the prohibition under subparagraph (ii), grants under this section may be awarded to eligible applicants for the purpose of alleviating revenue losses and paying eligible operating expenses. The following shall apply to grants awarded under this section:

   (i) A grant awarded to an eligible applicant may not exceed $50,000.

   (ii) A grant may not be awarded to pay for the same eligible operating expenses for which an eligible applicant receives or received payment, reimbursement or loan forgiveness from the following sources:

       (A) Money that is not required to be repaid to the Federal Government under the CARES Act or Consolidated Appropriations Act, 2021.


(3) The receipt of a loan or grant issued under the authority of the Federal Government or the Commonwealth shall not disqualify an applicant from eligibility for a grant under this section.

(4) Priority in the awarding of grants under this section shall be given to an eligible applicant that meets
any of the following:

(i) The eligible applicant has not received a loan or grant issued under the authority of the Commonwealth or the Commonwealth's political subdivisions or by the Federal Government under the CARES Act or Consolidated Appropriations Act, 2021.

(ii) The eligible applicant was subject to closure by the proclamation of disaster emergency issued by the Governor on March 6, 2020, published at 50 Pa.B. 1644 (March 21, 2020), and any renewal of the state of disaster emergency.

(iii) The eligible applicant can demonstrate a reduction in revenue that meets any of the following:

(A) A reduction in gross receipts of 50% or more for the period beginning after March 31, 2020, and ending before December 31, 2020, in comparison to the period beginning after March 31, 2019, and ending before December 31, 2019.

(B) If the eligible applicant was not in operation during the entire comparison period under clause (A), but was in operation on March 1, 2020, a monthly average reduction in gross receipts of 50% or more for the period beginning after March 31, 2020, and ending before December 31, 2020, in comparison to the period beginning after January 1, 2020, and ending before April 1, 2020.

(5) The following shall apply to applications to receive grants under this section:

(i) Applications shall be in a form determined by a county with input from a CEDO or CDFI processing the
application on behalf of a county.

(ii) Applications shall contain documentation as required by the county.

(iii) Applications shall be available electronically.

(iv) No later than 45 days after the starting date, a CEDO or CDFI shall receive and consider applications on a rolling basis until funding for grants received by the county under subsection (a) has been completely expended, or 130 days after the starting date, whichever occurs first. Upon completely expending the funds available for grants, a CEDO or CDFI shall notify the department.

(6) The following shall apply to reviewing applications for grants under this section:

(i) No later than 160 days after the starting date, a CEDO or CDFI shall approve or disapprove applications for grants.

(ii) Upon approving an application under subparagraph (i), a CEDO or CDFI shall enter into a grant agreement with the eligible applicant in order to award the grant.

(iii) The grant agreement under subparagraph (ii) shall explain the terms and conditions of the grant, including the applicable laws of this Commonwealth and reporting requirements.

(iv) The grant agreement under subparagraph (ii) may be electronically signed and returned to the CEDO or CDFI that approved the application.

(7) An eligible applicant or authorized representative of the eligible applicant that submits an application for a
grant under this section shall certify in good faith to all
of the following:

(i) The eligible applicant was in operation on March
1, 2020, and, if required, paid income taxes to the
Federal Government and the Commonwealth, as reported on
individual or business tax returns.

(ii) The eligible applicant remains in operation and
does not intend to permanently cease operations within
one year of the date of application.

(iii) COVID-19 had an adverse economic impact on the
eligible applicant, which makes the grant request
necessary to support the ongoing operations of the
eligible applicant.

(iv) The grant will be used to pay for COVID-19-
related economic impacts.

(v) During the period beginning January 1, 2021, and
ending 150 days after the starting date, the eligible
applicant has not and will not receive another grant
under this section.

(vi) The information provided in the application
and all supporting documents and forms is true and
accurate in all material respects. An eligible applicant
or an authorized representative of the eligible applicant
that knowingly makes a false statement to obtain a grant
shall be subject to 18 Pa.C.S. § 4904 (relating to
unsworn falsification to authorities).

(8) The following shall apply to the awarding of grants
under this section:

(i) A CEDO or CDFI may award grants in increments of
$5,000, not to exceed the limitation under paragraph (2)
(i).

(ii) A fully executed grant agreement under paragraph (6)(ii) shall be required before the disbursement of grant funds.

(iii) The aggregate amount of all grants awarded may not exceed the amount of money received by the county under subsection (a).

(9) A CEDO or CDFI may charge a fee not to exceed $500 per completed and reviewed application for a grant under this section. Fees charged under this paragraph shall be deducted from the total amount of money distributed to the county under subsection (a) and may not reduce the amount of the grant awarded to an eligible applicant.

(10) A grant awarded under this section shall be paid to an eligible applicant no later than 175 days after the starting date.

(11) A county that provides grants under this section shall compile a report, which shall include all of the following:

(i) A list of each grant awarded.

(ii) The name and address of each grant recipient.

(iii) The amount of the grant and a description of the financial impact to the grant recipient.

(iv) The name of the CEDO or CDFI that processed the grant.

(12) A county shall submit the report under paragraph (11) to the department no later than 200 days after the starting date.

(12.1) The department shall prepare a consolidated report with information under paragraph (12) from all
counties and submit the consolidated report to the chair and
minority chair of the Appropriations Committee of the Senate
and the chair and minority chair of the Appropriations
Committee of the House of Representatives no later than 235
days after the starting date.

(12.2) The county shall post and maintain the report
under paragraph (11) on the county's publicly accessible
Internet website.

(12.3) The department shall post and maintain the
consolidated report under paragraph (12.2) on the
department's publicly accessible Internet website.

(13) A county awarding grants and a CEDO or CDFI
processing grants on behalf of a county under this section
shall provide documentation to the Department of the Auditor
General or the department, upon request, for purposes of an
audit review.

(14) The department may not impose additional
requirements on counties that are not specified in this
section.

(c) (Reserved).
(d) (Reserved).

(e) Definitions.—As used in this section, the following
words and phrases shall have the meanings given to them in this
subsection unless the context clearly indicates otherwise:

"CDFI." A community development financial institution that
is certified by the United States Department of Treasury, is
headquartered in this Commonwealth, is part of the 17-member
Pennsylvania community development financial institution network
and primarily provides business loans to low-to-moderate income
individuals and business owners.
"CEDO." An economic development organization that has been certified by the Pennsylvania Industrial Development Authority or an economic development organization that serves more than one county and is accredited by the International Economic Development Council.


"Department." The Department of Community and Economic Development of the Commonwealth.

"Economic development organization." Any local development district, industrial development agency, industrial resource center, redevelopment authority, community development financial institution or any other nonprofit economic development organization that is certified to participate in the Pennsylvania Industrial Development Authority loan program.

"Eligible applicant." An entity that submits an application for a grant under this section and meets all of the following:

(1) The entity is not publicly traded.

(2) The entity experienced a reduction in revenue in calendar year 2020, measured as follows:

   (i) The entity had gross receipts during the first, second, third or fourth quarter in calendar year 2020 that demonstrate at least a 25% reduction from the entity's gross receipts during the same quarter in calendar year 2019.

   (ii) If the entity was not in business during the first or second quarter of calendar year 2019, but was in business during the third and fourth quarters of calendar year 2019, the entity had gross receipts during the first, second, third or fourth quarter of calendar year
2020 that demonstrate at least a 25% reduction from the entity's gross receipts during the third or fourth quarter of calendar year 2019.

(iii) If the entity was not in business during the first, second or third quarter of calendar year 2019, but was in business during the fourth quarter of calendar year 2019, the entity had gross receipts during the first, second, third or fourth quarter of calendar year 2020 that demonstrate at least a 25% reduction from the fourth quarter of calendar year 2019.

(iv) If the entity was not in business during calendar year 2019, but was in operation on March 1, 2020, the entity had gross receipts during the second, third or fourth quarter of calendar year 2020 that demonstrate at least a 25% reduction from the gross receipts of the entity during the first quarter of calendar year 2020.

(v) For the purpose of this definition, if the entity was in operation in all four quarters of calendar year 2019, the entity shall be deemed to have experienced the revenue reduction under subparagraph (i) if the entity experienced a reduction in annual receipts of at least 25% in calendar year 2020 compared to calendar year 2019 and the entity provides copies of the entity's annual Federal tax forms substantiating the revenue decline.

(vi) For the purpose of this definition, if the entity changed ownership or control in calendar year 2020, the entity may measure the entity's reduction in revenue in calendar year 2020 under subparagraph (i),
(ii), (iii), (iv) or (v) using the gross receipts of the entity for calendar year 2019.

(3) The entity meets all of the following conditions as of March 1, 2020:

   (i) The entity operates a place of business within this Commonwealth having a NAICS designation within the Performing Arts, Spectator Sports, and Related Industries subsector (711) or NAICS designation within the Amusement, Gambling, and Recreation Industries subsector (713).

   (ii) The entity has fewer than 100 full-time equivalent employees. For the purpose of determining the number of full-time equivalent employees under this subparagraph, the calculation shall include each employee of the entity, notwithstanding whether the entity has employees at multiple locations.

   (iii) The entity has a maximum tangible net worth of not more than $7,000,000 computed in accordance with generally accepted accounting principles.

"Eligible operating expense." An operating expense, including a payroll and non-payroll expense, that is common and accepted in an eligible applicant's industry, helpful and appropriate for the eligible applicant's trade or business and subject to the following limitations:

   (1) The operating expense must have been incurred between March 1, 2020, and 130 days after the starting date, or prior to submission of an application for a grant under this section, whichever occurs first.

   (2) For a mortgage obligation, the mortgage must have been in force before March 1, 2020.
(3) For rent, under lease agreements, the lease agreement must have been in force before March 1, 2020.

(4) For utility costs, service must have begun before March 1, 2020.

(5) For the purpose of paragraphs (2) and (3), if an existing mortgage obligation or lease agreement is in force before March 1, 2020, and is refinanced or restructured after March 1, 2020, the mortgage obligation or lease agreement is deemed to have been in force before March 1, 2020.

"Full-time equivalent employee." The quotient obtained by dividing the total number of hours for which employees were compensated for employment over the preceding 12-month period by 2,080.

"Gross receipts." Revenue in whatever form received or accrued, in accordance with the recipient's accounting method, from whatever source, including from the sales of products or services, interest, dividends, rents, royalties, fees or commissions, reduced by returns and allowances. The term does not include any of the following:

(1) Taxes collected for and remitted to a taxing authority if included in gross or total income, including sales or other taxes collected from customers and excluding taxes levied on an entity or the entity's employees.

(2) Proceeds from transactions between an entity and the entity's domestic or foreign affiliates.

(3) Amounts collected for another by a travel agent, real estate agent, advertising agent or conference management service provider.

"NAICS." A classification within the North American Industry Classification System developed for use by Federal statistical agencies.
agencies for the collection, analysis and publication of statistical data related to the United States economy.

"Program." The County Block Grant - Entertainment Venue Industry Recovery Program established under subsection (b).

"Starting date." The effective date of this section or the effective date of an appropriation for distribution of grants under this section, whichever is later.

Section 2. This act shall take effect immediately.