
The original instrument was prepared by Martha Hess. The following digest, which does not constitute a part of the legislative instrument, was prepared by Jerry G. Jones.

DIGEST

SB 73 Reengrossed

2020 Second Extraordinary Session

Barrow

Present law (R.S. 39:100.44) establishes the Main Street Program. Further establishes the La. Main Street Recovery Fund to finance the grants awarded by the Main Street Program to eligible businesses. Proposed law retains present law.

Present law defines "eligible business" to mean a for-profit corporation, a limited liability company, a partnership, or a sole proprietorship that meets all of the following criteria:

- (1) Was domiciled in Louisiana as of March 1, 2020.
- (2) Is in good standing with the secretary of state, if applicable.
- (3) Suffered an interruption of business caused by forced or voluntary closures or restricted operations due to social distancing measures, decreased customer demand, cleaning or disinfection expenses, and providing personal protective equipment.
- (4) Is at least fifty percent owned by one or more Louisiana residents, whether individual resident citizens or Louisiana domestic business entities.
- (5) Filed Louisiana taxes for tax year 2018 or 2019, or, if an eligible business formed on or after January 1, 2020, intends to file Louisiana taxes for tax year 2020.
- (6) Has customers or employees coming to its physical premises.
- (7) Had no more than fifty full-time equivalent employees as of March 1, 2020.
- (8) Is not a subsidiary of a business with more than fifty full-time equivalent employees, is not part of a larger business enterprise with more than fifty full-time equivalent employees, and is not owned by a business with more than fifty full-time equivalent employees.
- (9) Does not exist for the purpose of advancing partisan political activity. Does not directly lobby federal or state officials.
- (10) Does not derive income from passive investments without active participation in business operations.

Proposed law extends the program to "eligible rental businesses" which proposed law defines as a for-profit corporation, a limited liability company, a partnership, or a sole proprietorship that:

- (1) Is the owner, lessor, or sub-lessor of a residential dwelling unit in Louisiana.
- (2) Filed Louisiana taxes for tax year 2018 or 2019 or if an eligible rental business formed on or after January 1, 2020, and on or before March 1, 2020, intends to file Louisiana taxes for tax year 2020.
- (3) Was domiciled in Louisiana as of March 1, 2020.
- (4) Is in good standing with the secretary of state, if applicable.
- (5) Is at least 50% owned by one or more Louisiana residences, whether individual resident citizens or Louisiana domestic business entities.

Proposed law defines "lost rental income" to mean all payments that were due to be made to an eligible rental business under a rental agreement between March 1, 2020, and November 1, 2020, that were not paid or there is a reasonable expectation that they will not be paid due to the business disruption effects of the public health emergency and eviction moratoria. Also provides that lost rental income shall not be an eligible expense unless and until federal legislation or U.S. Dept. of Treasury guidance or regulation authorizes federal disaster funds to be used for lost rental income.

Proposed law provides that eligible rental businesses that can demonstrate eligible expenses from March 1, 2020, through November 30, 2020, may apply for a grant of no more than \$15,000 to reimburse for eligible expenses resulting from the public health emergency and eviction moratoria. Requires the treasurer to process applications from eligible rental businesses and make a determination on payment after receiving a completed application.

Proposed law provides that eligible rental businesses that accept a grant under this program shall consider any rental payments due under a rental agreement at that property as having been paid in full through November 30, 2020, and must so notify the tenant. Acceptance of grant funds shall not prohibit an eligible rental business from beginning eviction proceedings for a violation of the lease or other laws or regulations.

Proposed law provides that any funds remaining after all distributions have been made from the Louisiana Main Street Recovery Program pursuant to R.S. 39:100.44 shall be allocated by the Joint Legislative Committee on the Budget.

Further provides that proposed law shall only apply to any monies in the Main Street Recovery Fund which are unobligated as of the effective date of proposed law. Also provides that the provisions of proposed law shall apply to any additional federal funds received by the state that are designated to be used to provide economic support to eligible Louisiana businesses for costs incurred for and continued response to the COVID-19 pandemic.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 39:100.41 and 100.44(B), (E), (K), and (Q); adds R.S. 39:100.42(17) and (18), and

100.44(R))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Revised definitions of "eligible rental business" and "lost rental income".
2. Deleted that grants awarded would be exempt from certain taxes and processes.
3. Deleted that eligible rental businesses receiving a grant shall not evict a tenant for nonpayment of rent or refuse to renew a lease through Nov. 30, 2020.
4. Added that provisions of Act apply to any additional federal funds received by the state that are designated to be used to provide economic support to eligible Louisiana businesses for costs incurred for and continued response to the COVID-19 pandemic.