AN ACT

To enact Subpart M of Part II-A of Chapter 1 of Subtitle 1 of Title 39 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 39:100.41 through 100.47 and R.S. 47:1508(B)(43), relative to special funds; to create special funds for the deposit of certain federal monies; to create the Coronavirus Local Recovery Allocation Fund, the Louisiana Main Street Recovery Fund, and the State Coronavirus Relief Fund; to create and to provide relative to the Coronavirus Local Recovery Allocation Program and the Louisiana Main Street Recovery Programs relative to the use of monies in the funds; to provide relative to the allocation, use, and disbursement of the monies in the funds; to provide relative to the powers and duties of the commissioner of administration, the Governor's Office of Homeland Security and Emergency Preparedness, the treasurer, and the legislative auditor with respect to such monies; to provide for legislative intent; to provide for the dedication of certain revenues and for the deposit of and use of monies in the fund; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Subpart M of Part II-A of Chapter 1 of Subtitle 1 of Title 39 of the Louisiana Revised Statutes of 1950, comprised of R.S. 39:100.41 through 100.47, are hereby enacted to read as follows:

SUBPART M. COVID-19 DISASTER FUNDS

§100.41. Legislative Intent

It is the intent of the Legislature to provide economic support to Louisiana political subdivisions and businesses for costs incurred for and continued response to the Coronavirus disease (COVID-19) pandemic from federal funds provided pursuant to Section 5001 of the CARES Act, which
created the Coronavirus Relief Fund from which the State received over one billion eight hundred million dollars (CARES Act), of which the State's portion is over nine hundred ninety-one million dollars. The State desires to use a portion of the remaining portion of the CARES Fund monies in the amount of five hundred eleven million one hundred seventy-eight thousand seven hundred four dollars for economic support through the Coronavirus Local Recovery Program for local government units to be administered by the division of administration and the Governor's Office of Homeland Security and Emergency Preparedness. The State further desires to use a portion of the CARES Fund monies in the amount of three hundred million dollars for the Louisiana Main Street Recovery Program for economic support for eligible businesses to be administered by the State Treasurer, all as established in this Subpart.

§100.42. Definitions

For the purposes of this Subpart, the following terms shall have the following meanings:

(1) "Allocation Fund" shall mean the Coronavirus Local Recovery Allocation Fund.

(2) "Allocation Program" shall mean the Local Recovery Allocation Program administered by the commissioner of administration and GOHSEP.

(3) "CARES Act" shall mean the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136 and any guidance or regulations issued by the United State Treasury as of the date of this Act or thereafter relative to the CARES Act.

(4) "CARES Fund" for the purposes of this Subpart, shall mean the monies received by the state from the federal government pursuant to the CARES Act for in the amount of one billion eight hundred two million six hundred nineteen thousand three hundred forty-two dollars.

(5) "Commissioner" shall mean the Commission of the division of administration of the State.
(6) "COVID-19" means the Coronavirus disease 2019.

(7) "Eligible business" means a for profit corporation, a limited liability company, a partnership, or a sole proprietorship that meets all of the following criteria:

(a) Was domiciled in Louisiana as of March 1, 2020.

(b) Is in good standing with the Secretary of State, if applicable.

(c) 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.

(d) Has at least fifty percent owned by one or more Louisiana residents, whether individual resident citizens or Louisiana domestic business entities.

(e) 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.

(f) Has customers or employees coming to its physical premises.

(g) Had no more than fifty full-time equivalent employees as of March 1, 2020.

(h) 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.

(i) Does not exist for the purpose of advancing partisan political activity, Does not directly lobby federal or state officials.

(j) Does not derive income from passive investments without active participation in business operations.

(8) "Grant" means an award by the Treasurer to an eligible business.

(9) "GOHSEP" shall mean the Governor's Office of Homeland Security and Emergency Preparedness.

(10) "Interruption of business" means business interruption caused by
forced or voluntary closures or restricted operations, including but not limited
to social distancing measures, decreased customer demand, cleaning or
disinfection expenses, and providing personal protective equipment, related to
COVID-19.

(11) "Louisiana taxes" means all taxes administered by the secretary of
the Department of Revenue pursuant to Title 47 of the Louisiana Revised
Statutes of 1950, as amended.

(12) "Local government unit" means a parish, municipality, town,
township, village or other unit of general government below the State level with
parishwide jurisdiction including, but not limited to, sheriffs, coroners, and
district attorneys. Entities which do not fit within the definition of political
subdivision as used in this Subpart, shall have the parish with which they are
affiliated submit the application.

(13) "Minority business enterprise" means a small business organized
for profit performing a commercially useful function which is at least fifty
percent owed by one or more minority individuals, women, or veterans, who
also control and operate the business. In addition to the requirements of this
Subparagraph, if more than one person owns the enterprise, at least fifty
percent of the owners must be resident citizens of the State. For the purposes
of this Subparagraph, "control" means exercising the power to make policy
decisions and "operate" means being actively involved in the day-to-day
management of the business.

(14) "Recovery Program" means the Louisiana Main Street Recovery
Program.

(15) "State" means the state of Louisiana.

(16) "Treasurer" means the state treasurer of Louisiana.

§100.43. Coronavirus Local Recovery Allocation Program

A. There is hereby created the Coronavirus Local Recovery Allocation
Program to be administered by the commissioner of the division of
administration, in consultation with the Governor's Office of Homeland
B. There is hereby created and established in the state treasury, as a special fund, the Coronavirus Local Recovery Allocation Fund, hereinafter referred to as the "Allocation Fund" for the purpose of providing monies to local governments for the expenditures incurred and in response to the COVID-19 pandemic.

C. Pursuant to legislative appropriation, the treasurer is hereby authorized and directed to deposit in and credit to the Allocation Fund five hundred eleven million one hundred seventy-eight thousand seven hundred four dollars pursuant to Section 5001 of the CARES Act. The monies in the Allocation Fund shall be invested in the same manner as monies in the state general fund. Interest earned on the investment of monies in the Recovery Fund shall be deposited in and credited to the Allocation Fund. Except as provided in this Section and if applicable under federal guidelines, unexpended and unencumbered monies in the Allocation Fund shall remain the Allocation Fund. Monies in the Allocation Fund shall be appropriated and used solely as provided in this Section.

D. From the initial amount deposited into and credited to the Allocation Fund, one-half of one percent shall be available for appropriation to GOHSEP to be used for administering the program. GOHSEP is hereby authorized to use staff as necessary from the office of Community Development for administrative and technical support. One-half of one percent shall be available to be appropriated to the legislative auditor for the costs of reviewing the program. The remaining monies in the Allocation Fund shall be available to GOHSEP to provide funds to political subdivisions in Fiscal Years 2020 and 2021 pursuant to the Allocation Program as established in this Section.

E. The commissioner of administration, in consultation with GOHSEP and the Office of Community Development in the division of administration, shall develop procedures to govern the administration of the program, and
determine the maximum allocation of monies in the Allocation Fund available
for each parish to submit eligible applications for funds. The commissioner may
promulgate emergency rules, as necessary for the administration of this
program. The commissioner shall institute the program no later than June 5,
2020. The commissioner shall cause information regarding the program to be
published on the websites of the State, the division of administration, and
GOHSEP. The commissioner shall notify each parish of the provisions herein.

F. The commissioner of administration shall develop a method to
determine the maximum allocation for each parish based on total population of
the parish and the number of confirmed cases of COVID-19 within the parish.
The commissioner shall notify each applicant that there is no guarantee that the
amount of funds received by the local government units of a parish shall equal
the maximum amount allocated to the parish. If on November 1, 2020, any
parish has an unobligated portion of their allocation, the unobligated portion
may be moved by the commissioner of administration to other parishes which
have used all of their allocation and have remaining submissions, subject to
approval of the Joint Legislative Committee on the Budget.

G. The monies allocated to local government units in each parish shall
only be for eligible expenses as provided in the CARES Act.

H. Within fifteen calendar days after receiving a submission for
reimbursement pursuant to this Section, GOHSEP and the division of
administration shall review and, if eligible, approve the submission, and
forward the approved eligible expenditures to GOHSEP for disbursement.
Funds for verified claims shall be disbursed by GOHSEP within five business
days of receipt by GOHSEP.

I. Any claims for expenses incurred after December 30, 2020, or
submitted to the division of administration after January 31, 2021, shall be
ineligible for payment pursuant to the provisions of the CARES Act.

J. No later than the fifteenth day of each month, the director of GOHSEP
and the commissioner of administration jointly shall submit a report to the
Joint Legislative Committee on the Budget detailing by parish the amounts requested for reimbursement pursuant to this Section, the amounts actually reimbursed, and the average time for disbursing funds to each parish.

K. Each local governmental unit shall provide a certification, on a form developed by the commissioner of administration and GOHSEP, signed by the authorized chief executive of the local government that the proposed uses of the funds are consistent with the CARES Act. The certification shall also provide that the local government unit shall hold the State harmless and indemnify the State in the event that payments were misappropriated, converted, and/or spent for any purpose other than those authorized by and in accordance with the CARES Act as determined by any executive, administrative, or judicial body of competent jurisdiction.

L. Any unobligated balance in the fund on December 1, 2020, shall be transferred to the State Coronavirus Relief Fund.

§100.44. Louisiana Main Street Recovery Program

A. There is hereby created the Louisiana Main Street Recovery Program to be administered by the state treasurer in accordance with the provisions of this Subpart.

B. There is hereby created in the state treasury, as a special fund, the Louisiana Main Street Recovery Fund, hereinafter referred to as the "Recovery Fund", to provide economic support to eligible Louisiana businesses for costs incurred in connection with COVID-19, including business interruptions caused by forced closures or restricted operations resulting from voluntary closures instituted to promote social distancing, and resulting decreased customer demand, cleaning or disinfection, and providing personal protective equipment.

Expenses reimbursed by business interruption insurance or disallowed by the CARES Act or any guidance or regulation issued by the United States Department of the Treasury shall not be an eligible expense.

C. Pursuant to legislative appropriation, the treasurer is hereby authorized and directed to deposit in and credit to the Recovery Fund three
hundred million dollars of the federal monies allocated to Louisiana pursuant to Section 5001 of the CARES Act. The monies in the Recovery Fund shall be invested in the same manner as monies in the state general fund. Interest earned on the investment of monies in the Recovery Fund shall be deposited in and credited to the Recovery Fund. Except as provided in this Section and applicable under federal guidelines, unexpended and unencumbered monies in the Recovery Fund shall remain in the Recovery Fund. Monies in the Recovery Fund shall be appropriated and used solely as provided in this Section.

D. Up to five percent of the monies initially deposited in the Recovery Fund shall be appropriated to the treasurer for use in Fiscal Years 2020 and 2021 to develop procedures for the administration of and for the costs of administering the Louisiana Main Street Recovery Program. Such expenses may include costs for the treasurer and the legislative auditor for work performed in execution of the program. Notwithstanding any provision of law to the contrary, the treasurer may enter into a consulting services contract as an emergency procurement, to expedite the distribution of the funds appropriated for the Recovery Program. The cost of such contract shall be an administrative expense of the Recovery Program.

E. All remaining monies in the Recovery Fund, after providing for administrative expenses, shall be appropriated for grants to eligible businesses that submit applications pursuant to this Section provided that any grant programs have been approved by the Joint Legislative Committee on the Budget.

F.(1) No later than June 20, 2020, the treasurer shall submit a proposal for distribution of grants available through the Louisiana Main Street Recovery Program to the Joint Legislative Committee on the Budget for approval prior to any disbursement. The proposal shall contain recommendations from the treasurer and shall reflect the work product of any contract consultants and the legislative auditor. The proposal shall include details of the program, including the amount of each grant, the purpose of the grant, the category of recipients
of each grant, the number of eligible recipients, documentation required for
receipt of a grant and the planned method of distribution. Any proposal
submitted to the Joint Legislative Committee on the Budget shall contain
recommended proposals to address, within the first twenty-one days, the needs
of eligible businesses that meet all of the following criteria:

(a) The eligible business did not receive a United States Small Business
Administration-Guaranty Paycheck Protection Program loan or a United States
Small Business Administration Economic Injury Disaster Loan Emergency
Advance.

(b) The eligible business did not receive and has not been awarded
reimbursement under any other federal program for the expenses that will be
reimbursed by a grant under this Section.

(c) The eligible business did not received compensation from an
insurance company for the interruption of business.

(2) The proposal shall next address the needs of eligible businesses after
the initial twenty-one day period.

G. The treasurer shall develop application forms to be used in operation
of the Recovery Program.

H. In no event shall any grant exceed fifteen thousand dollars.

I. The treasurer shall work with the Department of Revenue to verify
applicant tax information and with the Department of Education to promote
applications by childcare organizations.

J. Notwithstanding any provision of this Section to the contrary, the
treasurer shall ensure that within the first sixty days of the Recovery Program
no less than forty million dollars in grants, exclusive of administrative expenses,
shall be awarded to minority business enterprises.

K. Each recipient of a grant shall provide a certification, on a form
developed by the treasurer, signed by the authorized chief executive of the
eligible business, as defined in the program approved by the Joint Legislative
Committee on the Budget, that the proposed use of the funds are consistent with
the CARES Act. The certification shall also provide that the business shall hold
the State harmless and indemnify the State in the event that payments were
misappropriated, converted, and/or spent for any purpose other than those
authorized by and in accordance with the CARES Act as determined by any
executive, administrative, or judicial body of competent jurisdiction.

L. Within fifteen calendar days after receiving a submission pursuant to
this Section, the treasurer shall review and, if the grant is eligible under the
provisions of this Section and the procedures developed by the treasurer and
approved by the Joint Legislative Committee on the Budget, the treasurer may
approve the grant, funds appropriated for verified claims shall be disbursed by
the treasurer within five business days of the approval.

M. Any claims for expenses incurred after December 30, 2020, or
submitted to the treasurer after January 31, 2021, shall be ineligible for
payment pursuant to the provisions of the CARES Act.

N. No later than the fifteenth day of each month, the treasurer shall
submit a report to the Joint Legislative Committee on the Budget detailing the
number of grant submissions, the number of grants awarded, the amount of
each grant awarded, the purpose of the grant, the recipient of each grant, the
number of eligible recipients who have requested a grant and have not received
an award, and the obligated and unobligated balances in the Recovery Fund,
and the average time for disbursing funds to each recipient of a grant.

O. No later than July 1, 2020, the treasurer shall announce the date the
program shall begin.

P. Notice of the Recovery Program, and the availability of awards from
the Recovery Fund shall be provided to the commissioner to be published on the
web pages of each department in the executive branch, the main pages for the
legislative website, and in statewide news outlets at least ten days to the
beginning of the program.

Q. Any unobligated balance in the fund on December 1, 2020, shall be
transferred to the State Coronavirus Relief Fund.
§100.45. State Coronavirus Relief Fund

A. There is hereby created and established in the state treasury, as a special fund, the State Coronavirus Relief Fund, hereinafter the "Relief Fund".

The treasurer is authorized and directed to deposit monies appropriated by the legislature from the CARES Fund to the Relief Fund. On December 1, 2020, the treasurer is authorized and directed to transfer any unobligated monies in the Coronavirus Local Recovery Allocation Fund and the Louisiana Main Street Recovery Fund to the Relief Fund. Monies in the Relief Fund may be used by the State, subject to appropriation, for the purposes of providing monies to local government units, eligible businesses, or the state in accordance with the provisions of this Subpart and the CARES Act.

B. The monies in the Relief Fund shall be invested in the same manner as monies in the state general fund. Interest earned on the investment of monies in the Relief Fund shall be deposited in and credited to the Relief Fund. If applicable under federal guidelines, unexpended and unencumbered monies in the Relief Fund shall remain in the Relief Fund.

§100.46. Changes in federal legislation

If federal legislation introduced and enacted which authorizes federal disaster funds to be used for revenue loss, the Joint Legislative Committee on the Budget is authorized to transfer any remaining funds to the Coronavirus Local Recovery Allocation Fund for disbursement.

§100.47. Duties of the legislative auditor

For purposes of this Subpart, the legislative auditor is hereby authorized to review all applications for compliance with the provisions of the programs established in this Subpart. The treasurer's office and the Governor's Office of Homeland Security and Emergency Preparedness shall be responsible for providing the legislative auditor all claims and necessary documentation to carry out his reviews. The legislative auditor shall report any findings to the Legislative Audit Advisory Council and the Joint Legislative Committee on the Budget.
Section 2. R.S. 47:1508(B)(43) is hereby enacted to read as follows:

§1508. Confidentiality of tax records

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B. Nothing herein contained shall be construed to prevent:

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(43) The sharing or furnishing, in the discretion of the secretary, of information to the Department of the Treasury to be used solely for the purposes of administering the Louisiana Main Street Recovery Program and Fund as provided in R.S. 39:100.44. The secretary shall not disclose any data from returns or reports provided by the Internal Revenue Service. Any information shared or furnished shall be considered and held confidential and privileged by the Department of the Treasury to the same extent provided for in Subsection A of this Section.

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Section 3. This Act shall become effective upon signature of the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: ____________

Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.