

116TH CONGRESS
2D SESSION

H. R. 6292

To establish the Office of Coronavirus COVID–19 Small Business Recovery Grants in the Small Business Administration to compensate certain small business concerns for substantial economic injury, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2020

Ms. JACKSON LEE introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish the Office of Coronavirus COVID–19 Small Business Recovery Grants in the Small Business Administration to compensate certain small business concerns for substantial economic injury, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “COVID–19 Small
5 Business Recovery Grants Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act, the following definitions apply:

1 (1) CLAIM.—The term “claim” means a claim
2 by an injured concern under this Act for payment
3 for substantial economic injury suffered by the in-
4 jured concern as a result of COVID–19.

5 (2) CLAIMANT.—The term “claimant” means
6 an injured concern that submits a claim under sec-
7 tion 4(b).

8 (3) ADMINISTRATOR.—The term “Adminis-
9 trator” means the Administrator of the Small Busi-
10 ness Administration.

11 (4) INJURED CONCERN.—The term “injured
12 concern”—

13 (A) means a small business concern that is
14 located in an area that is a qualified disaster
15 area as a result of COVID–19; and

16 (B) does not include—

17 (i) a lender that holds a mortgage on
18 or security interest in real or personal
19 property affected by COVID–19; or

20 (ii) a person that holds a lien on real
21 or personal property affected by COVID–
22 19.

23 (5) OFFICE.—The term “Office” means the Of-
24 fice of Coronavirus COVID–19 Small Business Re-
25 covery Grants established by section 3.

1 **SEC. 3. OFFICE OF CORONAVIRUS COVID-19 SMALL BUSI-**
2 **NESS RECOVERY GRANTS.**

3 (a) **IN GENERAL.**—There is established within the
4 Small Business Administration an office to be known as
5 the “Office of Coronavirus COVID-19 Small Business Re-
6 covery Grants”.

7 (b) **PURPOSE.**—The Office shall receive, process, and
8 pay claims in accordance with section 4.

9 (c) **FUNDING.**—The Office—

10 (1) shall be funded from funds made available
11 under this Act; and

12 (2) may reimburse any other Federal agency
13 for provision of assistance in the receipt and proc-
14 essing of claims.

15 (d) **PERSONNEL.**—

16 (1) **IN GENERAL.**—The Office may appoint and
17 fix the compensation of such temporary personnel as
18 are necessary to carry out the duties of the Office,
19 without regard to the provisions of title 5, United
20 States Code, governing appointments in the competi-
21 tive service.

22 (2) **PERSONNEL FROM OTHER AGENCIES.**—On
23 the request of the Administrator, the head of any
24 other Federal agency may detail, on a reimbursable
25 basis, any of the personnel of the agency to the Fed-
26 eral Emergency Management Agency to assist the

1 Office in carrying out the duties of the Office under
2 this Act.

3 (3) EFFECT ON OTHER SBA DUTIES.—The es-
4 tablishment of the Office shall not diminish the au-
5 thority of, or funding available to, the Administrator
6 to carry out the responsibilities of the Small Busi-
7 ness Act.

8 **SEC. 4. COMPENSATION FOR VICTIMS OF COVID-19.**

9 (a) IN GENERAL.—Each injured concern may receive
10 compensation for substantial economic injury suffered as
11 a result of COVID-19, as determined by the Adminis-
12 trator.

13 (b) SUBMISSION OF CLAIMS.—Not later than 1 year
14 after the date on which interim final regulations are pro-
15 mulgated under subsection (h), an injured concern may
16 submit to the Administrator a written claim for compensa-
17 tion for substantial economic injury suffered as a result
18 of COVID-19.

19 (c) HANDLING OF CLAIMS.—The Administrator shall
20 investigate, adjust, grant, deny, settle, or compromise any
21 claim submitted under subsection (b).

22 (d) AMOUNT OF GRANT.—

23 (1) IN GENERAL.—Any grant made to an in-
24 jured concern—

1 (A) shall be limited to the amount nec-
2 essary to compensate the injured concern for
3 substantial economic injury described in para-
4 graph (2) suffered as a result of COVID-19
5 during the period beginning on December 1,
6 2019, and ending on December 31, 2021;

7 (B) shall not include—

8 (i) interest on the amount of the pay-
9 ment before the date of settlement or pay-
10 ment of a claim; or

11 (ii) punitive damages or any other
12 form of noncompensatory damages; and

13 (C) shall not exceed \$100,000, except in
14 the case of a grant application for which the
15 Administrator determines that a greater
16 amount up to \$250,000 is appropriate.

17 (2) SUBSTANTIAL ECONOMIC INJURY.—Under
18 paragraph (1), an injured concern may receive pay-
19 ment for substantial economic injury consisting of
20 one or more of the following:

21 (A) An uninsured or underinsured property
22 loss.

23 (B) Damage to or destruction of physical
24 infrastructure.

1 (C) Damage to or destruction of tangible
2 assets or inventory.

3 (D) A business interruption loss.

4 (E) Overhead costs.

5 (F) Employee wages for work not per-
6 formed.

7 (G) An insurance deductible.

8 (H) A temporary relocation expense.

9 (I) Debris removal and other cleanup
10 costs.

11 (J) Any other type of substantial economic
12 injury that the Administrator determines to be
13 appropriate.

14 (3) BURDEN OF PROOF.—

15 (A) IN GENERAL.—A claimant shall have
16 the burden of demonstrating substantial eco-
17 nomic injury.

18 (B) ABSENCE OF DOCUMENTS.—If docu-
19 mentary evidence substantiating substantial
20 economic injury is not reasonably available, the
21 Administrator may pay a claim based on an af-
22 fidavit or other documentation executed by the
23 claimant.

24 (e) PAYMENT OF CLAIMS.—

1 (1) DETERMINATION AND PAYMENT OF
2 AMOUNT.—

3 (A) IN GENERAL.—To the maximum ex-
4 tent practicable, not later than 180 days after
5 the date on which a claim is submitted under
6 subsection (b), the Administrator shall—

7 (i) determine the amount, if any, to
8 be paid for the claim; and

9 (ii) pay the amount.

10 (B) PRIORITY.—The Administrator may
11 establish priorities for processing and paying
12 claims based on—

13 (i) an assessment of the needs of the
14 claimants; and

15 (ii) any other criteria that the Admin-
16 istrator determines to be appropriate.

17 (C) PARAMETERS OF DETERMINATION.—

18 In determining and paying a claim, the Admin-
19 istrator shall determine only—

20 (i) whether the claimant is an injured
21 concern; and

22 (ii) whether the injuries that are the
23 subject of the claim resulted from COVID-
24 19.

25 (D) INSURANCE AND OTHER BENEFITS.—

1 (i) IN GENERAL.—Subject to clause
2 (ii), to prevent recovery by a claimant in
3 excess of the equivalent of actual amount
4 of the substantial economic injury suffered
5 by the claimant in accordance with sub-
6 section (d), the Administrator shall reduce
7 the amount to be paid for the claim by an
8 amount that is equal to the sum of the
9 payments or settlements of any kind that
10 were paid, or will be paid, with respect to
11 the claim, including payments by an insur-
12 ance company.

13 (ii) GOVERNMENT LOANS.—Clause (i)
14 shall not apply to the receipt by a claimant
15 of any Federal, State, or local government
16 loan that is required to be repaid by the
17 claimant.

18 (2) ADVANCE OR PARTIAL PAYMENTS.—At the
19 request of a claimant, the Administrator may make
20 one or more advance or partial payments before the
21 final approval of a grant.

22 (f) RECOVERY OF FUNDS IMPROPERLY PAID OR MIS-
23 USED.—The Administrator may recover any portion of a
24 payment on a grant that was improperly paid to the claim-
25 ant as a result of—

1 (1) fraud or misrepresentation on the part of
2 the claimant or a representative of the claimant;

3 (2) a material mistake on the part of the Ad-
4 ministrator;

5 (3) the payment of insurance or benefits de-
6 scribed in subsection (e)(1)(D) that were not taken
7 into account in determining the amount of the pay-
8 ment; or

9 (4) the failure of the claimant to cooperate in
10 an audit.

11 (g) APPEALS OF DECISIONS.—

12 (1) RIGHT OF APPEAL.—A claimant may appeal
13 a decision concerning payment of a claim by filing,
14 not later than 60 days after the date on which the
15 claimant is notified that the claim of the claimant
16 will or will not be paid, a notice of appeal in the case
17 of a decision on a claim relating to a business loss,
18 with the Administrator of the Federal Emergency
19 Management Administration.

20 (2) PERIOD FOR DECISION.—A decision con-
21 cerning an appeal under paragraph (1) shall be ren-
22 dered not later than 90 days after the date on which
23 the notice of appeal is received.

1 (h) REGULATIONS.—Notwithstanding any other pro-
2 vision of law, not later than 45 days after the date of en-
3 actment of this Act—

4 (1) the Administrator shall promulgate and
5 publish in the Federal Register interim final regula-
6 tions for the processing and payment of claims; and

7 (2) the Administrator and the Administrator of
8 the Federal Emergency Management Agency shall
9 jointly promulgate and publish in the Federal Reg-
10 ister procedures under which a dispute concerning
11 payment of a claim may be settled through an ap-
12 peals process described in subsection (g).

13 (i) PUBLIC INFORMATION.—At the time of publica-
14 tion of interim final regulations under subsection (h), the
15 Administrator shall publish a clear, concise, and easily un-
16 derstandable explanation of the grant program established
17 under this Act the procedural and other requirements of
18 the regulations promulgated under subsection (h). Such
19 explanation shall be—

20 (1) disseminated through brochures, pamphlets,
21 radio, television, the print news media, and such
22 other media as the Administrator determines to be
23 likely to reach prospective claimants; and

1 (2) provided in English, Spanish, and any other
2 language that the Administrator determines to be
3 appropriate.

4 (j) COORDINATION.—In carrying out this section, the
5 Administrator shall coordinate with the Administrator of
6 the Federal Emergency Management Agency, other Fed-
7 eral, State and local agencies, and any other individual
8 or entity, as the Administrator determines to be necessary
9 to ensure the efficient administration of the claims proc-
10 ess.

11 (k) APPLICABILITY OF DEBT COLLECTION REQUIRE-
12 MENTS.—

13 (1) IN GENERAL.—Section 3716 of title 31,
14 United States Code, shall not preclude any payment
15 on a claim.

16 (2) ASSIGNMENT AND EXEMPTION FROM
17 CLAIMS OF CREDITORS.—

18 (A) ASSIGNMENT.—No assignment, re-
19 lease, or commutation of a payment due or pay-
20 able under this Act shall be valid.

21 (B) EXEMPTION.—

22 (i) IN GENERAL.—A payment under
23 this Act shall be exempt from all claims of
24 creditors and from levy, execution, attach-

1 ment, or other remedy for recovery or col-
2 lection of a debt.

3 (ii) NONWAIVABLE EXEMPTION.—The
4 exemption provided by clause (i) may not
5 be waived.

6 **SEC. 5. REPORTS AND AUDITS.**

7 (a) REPORTS.—Not later than 1 year after the date
8 of promulgation of interim final regulations under section
9 4(h) and annually thereafter, the Administrator shall sub-
10 mit to Congress a report that describes the claims sub-
11 mitted under section 4(b) during the year preceding the
12 date of submission of the report, including, with respect
13 to each claim—

14 (1) the amount claimed;

15 (2) a brief description of the nature of the
16 claim; and

17 (3) the status or disposition of the claim, in-
18 cluding the amount of any payment on the claim.

19 (b) AUDITS.—The Comptroller General of the United
20 States shall—

21 (1) conduct an annual audit of the payment of
22 all claims submitted under section 4(b); and

23 (2) not later than 120 days after the date on
24 which the Administrator submits the initial report
25 required by subsection (a) and annually thereafter,

1 submit to Congress a report on the results of the
2 audit.

3 **SEC. 6. AUTHORIZATION OF APPROPRIATIONS.**

4 (a) IN GENERAL.—There are authorized to be appro-
5 priated to carry out this Act—

6 (1) to the Office of Business Recovery Grants
7 established under section 3 to administer the claims
8 process, \$25,000,000; and

9 (2) for payment of claims, \$975,000,000.

10 (b) AVAILABILITY.—Amounts made available under
11 subsection (a) shall remain available until expended.

12 **SEC. 7. TERMINATION OF AUTHORITY.**

13 The authority provided by this Act terminates effec-
14 tive 30 months after the date of enactment of this Act.

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