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Int. No. 2098

By Council Members Levin, Koo, Kallos, Gjonaj, Louis, Chin and Cumbo

A Local Law in relation to COVID-19 grants for small businesses that did not receive city, state or federal assistance

Be it enacted by the Council as follows:

Section 1. a. Definitions. For purposes of this local law, the following terms have the following meanings:

Chain business. The term “chain business” means an establishment that is part of a group of three or more establishments that share a common owner or principal who owns at least 30 percent of each establishment where such establishments (i) engage in the same business or (ii) operate pursuant to franchise agreements with the same franchisor as defined in section 681 of the general business law.

Commissioner. The term “commissioner” means the commissioner of small business services.

COVID-19. The term “COVID-19” means the 2019 novel coronavirus or 2019-nCoV.

COVID-19 impacted business. The term “COVID-19 impacted business” means a small business located in the city (i) that is or was subject to seating, occupancy or on-premises service limitations pursuant to an executive order issued by the governor or mayor during the COVID-19 period or (ii) that generated revenues during any three-month period within the COVID-19 period of less than 50 percent of its revenues for the same three-month period in the previous calendar year or less than 50 percent of its aggregate revenues for three consecutive months on or after December 2019, and such revenue loss was the direct result of the COVID-19 state disaster emergency. A revenue loss shall be deemed to be the direct result of the COVID-19 state disaster emergency when such disaster emergency was the proximate cause of such revenue loss.

COVID-19 period. The term “COVID-19 period” means March 7, 2020 through the later of (i) the end of the state disaster emergency set forth in executive order number 202, as issued by the governor on March 7, 2020 and extended thereafter, or (ii) the end of the local state of emergency declared in the city set forth in executive order number 98, as issued by the mayor on March 12, 2020, and extended thereafter.

Department. The term “department” means the department of small business services.

Minority and women-owned business. The term "minority and women-owned business" means a business enterprise authorized to do business in the city, including a sole proprietorship, partnership or corporation, in which (i) at least fifty-one percent of the ownership interest is held by an individual who is either a minority group member or female and lives in the city, (ii) the ownership interest of such individual is real, substantial and continuing, and (iii) such individual has and exercises the authority to control independently the day to day business decisions of the enterprise.

Minority group. The term “minority group” means Black Americans, Asian Americans, Hispanic Americans and Native Americans, and any groups added by the commissioner to the definition of "minority group" as set forth in paragraph (26) of subdivision c of section 6-129 of the administrative code.

Operating expenses. The term “operating expenses” means money spent during the normal operation of business, including but not limited to rent, payroll, insurance, equipment, inventory costs, and any other

expenses as may be determined by the commissioner.

Small business. The term “small business” means a for-profit or not-for-profit entity, excluding government entities, that is not a chain business and that employs no more than 50 employees. The number of employees of such small business shall consist of an average of all persons that performed work for the small business for compensation on a full-time, part-time or temporary basis for all payroll periods occurring in the 90 days prior to the date on which such small business applies for the fund set forth in this local law, as demonstrated by the payroll documentation of such entity, in accordance with rules promulgated by the commissioner.

b. The commissioner shall establish and operate a program to provide grants to partially or fully fund the operating expenses of COVID-19 impacted businesses.

c. The commissioner shall establish eligibility criteria and procedures for the application for and disbursement of the grants pursuant to this local law. Such eligibility criteria must ensure that grants are: (i) made available to COVID-19 impacted businesses regardless of immigration status or prior contractual relationships with the City, (ii) distributed in a manner that focuses on COVID-19 impacted businesses that have been excluded from federal small business loan programs, and (iii) not distributed to COVID-19 impacted businesses that have previously received loans or grants from the city, the state or the federal government pursuant to a program established directly in response to COVID-19. Eligibility criteria and procedures for application of the grants shall be made publicly available on the department’s website.

d. The commissioner shall establish the terms and conditions of such grants, including: (i) the amount to be disbursed and (ii) the types of expenses for which the grants may be used.

e. The commissioner shall appoint a staff member within the department who will be charged with communicating to minority and women-owned businesses about such grants, and shall make publicly available on the department’s website the email address and telephone number of such staff member.

f. The commissioner shall conduct outreach informing minority and women-owned businesses of such

grants, including but not limited to those minority and women-owned businesses certified in accordance with section 1304 of the charter. To do so, the commissioner shall create a plan to inform as many minority and women-owned businesses as possible of the existence of the grants and shall submit such plan to the mayor and the speaker of the council within 21 days of the effective date of this local law.

g. No later than seven days after 50 percent of the grant funds are disbursed and no later than seven days after 100 percent of the grant funds are disbursed, the commissioner shall submit a report to the mayor and the speaker of the council on each business that received grant money, including:

1. The zip code of each business location;
2. The council district of each business location, as applicable;
3. The total number of employees of each business;
4. The business's industry; and
5. Whether each business is a minority and women-owned business.

§ 2. This local law takes effect 90 days after it becomes law, except that the commissioner shall take such measures as are necessary for the implementation of this local law, including the promulgation of rules, before such date.

SJ
LS #14955, 15154
9/15/20