

2022 -- H 8031

=====
LC005503
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- RHODE ISLAND HARD-HIT
LIQUIDITY PROGRAM ACT

Introduced By: Representatives Messier, Felix, Alzate, and Tobon

Date Introduced: March 23, 2022

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Subject to the conditions, limitations and restrictions hereinafter contained in
2 this act, in addition to those monies previously appropriated pursuant to Chapter 162 of the Public
3 Laws of 2021, the sum of twenty million dollars (\$20,000,000) is hereby appropriated to the
4 Commerce Corporation in addition to amounts previously appropriated and shall be paid out of
5 funds made available to the state from federal sources under the American Rescue Plan Act of 2021
6 not otherwise appropriated to be extended during the fiscal year ending June 30, 2022 to support
7 and fulfill the provisions of the Rhode Island Hard-Hit Emergency Liquidity Program created
8 pursuant to Section 2 of this Act. For the purposes and functions hereinafter mentioned, the state
9 controller is hereby authorized and directed to draw his or her orders upon the general treasurer for
10 the payment of such sums or such portions thereof as may be required from time to time upon
11 receipt by him or her of properly authenticated vouchers.

12 SECTION 2. Title 42 of the General Laws entitled "STATE AFFAIRS AND
13 GOVERNMENT" is hereby amended by adding thereto the following chapter:

[CHAPTER 162](#)

[RHODE ISLAND HARD-HIT EMERGENCY LIQUIDITY PROGRAM ACT](#)

[42-162-1. Short title.](#)

17 [This chapter shall be known and may be cited as the "Rhode Island Hard-Hit Emergency](#)
18 [Liquidity Program Act"](#) or in short form the "[RI HELP Act.](#)"

1 **42-162-2. Purpose.**

2 The purpose of the RI HELP act program is to provide a special America Rescue Plan Act
3 of 2021, (ARPA), Publ. L. 117-2, fund for those hard-hit companies in industries which have not
4 received more than five hundred thousand dollars (\$500,000) from other ARPA programs
5 administered by the state or the commerce corporation in response to the coronavirus pandemic
6 and who need additional funds to support operations to ensure that companies do not fail due to a
7 loss of liquidity from the single or repeated cessation and reopening of operations.

8 **42-162-3. Eligibility.**

9 Eligibility for aid to be provided pursuant to the provisions of this chapter shall be
10 determined based on an application filed with the commerce corporation with supporting financial
11 documentation. There shall be three (3) categories of eligible recipients of aid under the RI HELP
12 act:

13 (1) Regular eligibility shall be open to all domestic registered entities and Rhode Island
14 residents operating non-registered businesses, such as sole-proprietorships, partnerships or
15 associations, with up to five million dollars (\$5,000,000) in annual sales based on calendar 2019 or
16 FY 2019, as elected by the applicant, and who can show a drop in sales of at least thirty percent
17 (30%) in each month from July 2020 to June 2021 as compared to the corresponding months from
18 July 2018 to June 2019.

19 (2) Program eligibility shall be open to those companies eligible under subsection (1) of
20 this section that can show a drop in monthly sales of at least fifty percent (50%) over the course of
21 at least three (3) months during the period from November 2020 to June 2021 as compared to the
22 corresponding months from November 2018 to June 2019.

23 (3) With regard to companies operating in the travel industry including companies engaged
24 in travel, event and cultural activities that would otherwise qualify pursuant to the provisions of
25 subsections (1) or (2) of this section, but for the annual sales limitations above, there shall be no
26 limit on the size of the company based on annual sales revenue.

27 **42-162-4. Benefits to be provided.**

28 (a) Companies eligible under § 42-162-3 shall be eligible for different amounts of aid based
29 on the percentage loss in sales. The aid further shall be calculated based on the total “fixed costs”
30 paid over the course of a year. Each application shall declare how much the applicant pays in annual
31 fixed costs for the year which ended December 31, 2021 or June 30, 2022, at the election of the
32 applicant.

33 (b) For the purposes of this section, “fixed costs” shall be defined as including, but not
34 being limited to:

1 (1) One hundred percent (100%) of costs for leases or rent payments for buildings, offices,
2 land, machinery, equipment, vehicles, and mortgage payments including all principal and interest
3 incurred for participation in the Main Street Lending Program established by the Federal Reserve
4 and terminated on January 8, 2021, and involuntary prepaid principal and interest payments,
5 property tax payments to a municipality, finance costs, insurance premiums, license fees, and costs
6 for personal protective equipment purchased by the company in connection with its operations or
7 for use by its employees, guests, or customers.

8 (2) Twenty percent (20%) of employee costs for salaries and benefits not paid on a per
9 project or other temporary basis.

10 (3) Any travel industry company, for the purposes of this section, "fixed costs" shall
11 include one hundred percent (100%) of lost tour operating margins and advertising and marketing
12 costs paid during the year ending December 31, 2021 or June 30 2022, as elected by the applicant.
13 "Lost tour operating margins" means the difference between the gross margins actually earned
14 during twelve (12) month period that ended December 31, 2021, or June 30, 2022, as elected by
15 the applicant and the comparable period ending in 2019.

16 (c) For the calculation of aid based on losses in sales for all non-travel industry eligible
17 companies under § 42-162-3, aid shall be calculated as equal to:

18 (1) One hundred percent (100%) of fixed costs if sales dropped more than seventy percent
19 (70%);

20 (2) Sixty percent (60%) of fixed costs if sales dropped between fifty percent (50%) to
21 seventy percent (70%); or

22 (3) Forty percent (40%) of fixed costs if sales dropped more than forty percent (40%) but
23 less than fifty percent (50%).

24 (d) For the calculation of aid based on losses in sales for eligible companies under § 42-
25 162-3, the aid shall be increased as follows:

26 (1) Twenty-five percent (25%) on total fixed reimbursement in the event of a decline in
27 sales of at least fifty percent (50%) in three (3) months;

28 (2) Thirty-five percent (35%) if sales declined at least fifty percent (50%) in four (4)
29 months of the period; or

30 (3) Forty percent (40%) surcharge if sales declined at least fifty percent (50%) in five (5)
31 or more months.

32 (e) No applicant may receive more than ten million dollars (\$10,000,000) under this
33 chapter.

34 (f) In the event there is insufficient money appropriated to the program to support the

1 benefit calculations, payments shall be made on a pro rata basis based on eligible aid to be paid to
2 all approved applicants who file their applications on or before June 1, 2022.

3 **42-162-5. Sunset.**

4 This chapter shall sunset upon the payment of all monies appropriated to support this
5 program, or one year after the end of the state of emergency declared under law related to the
6 coronavirus pandemic, or January 1, 2023 whichever is later.

7 **42-162-6. Severability.**

8 If any provision of this chapter or its application to any person, agency, or circumstances,
9 is held invalid by a court of competent jurisdiction, the remainder of the chapter and the application
10 of the provision to other persons, agencies, or circumstances, shall not be affected thereby. The
11 invalidity of any section or sections, or part of any section or sections, of this chapter shall not
12 affect the validity of the remainder of the chapter.

13 SECTION 3. This act shall take effect upon passage.

=====
LC005503
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- RHODE ISLAND HARD-HIT
LIQUIDITY PROGRAM ACT

1 This act would establish the “Rhode Island Hard-Hit Emergency Liquidity Program Act”
2 to provide up to twenty million dollars (\$20,000,000) to businesses adversely affected by the
3 coronavirus pandemic by providing aid for drop in sales.

4 This act would take effect upon passage.

=====
LC005503
=====