

2021 -- H 6248

=====
LC002417
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

—————
A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- SMALL BUSINESS
ASSISTANCE PROGRAM

Introduced By: Representatives Caldwell, McEntee, Costantino, Carson, Hawkins,
Baginski, Biah, and Speakman

Date Introduced: April 16, 2021

Referred To: House Finance

(General Treasurer)

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 42-64.25 of the General Laws entitled "Small Business Assistance
2 Program" is hereby amended by adding thereto the following section:

3 **42-64.25-13.1. Forgivable loan program for new, existing or restarted small**
4 **businesses.**

5 (a) There is hereby created in the commerce corporation a forgivable loan program for new
6 small businesses and the reopening of small businesses that were forced to close or suspend
7 operations as a result of the COVID-19 pandemic and emergency declarations by the governor
8 pursuant to executive order 20-02 of March 9, 2020.

9 (b) Financing for this program shall consist of federal stimulus funds allocated to the state
10 of Rhode Island as a result of the passage of the Cares Act, Public Law 116-136 and subsequent
11 promulgated rules and regulations as well as legislation enacted in 2021.

12 (c) The program shall be modeled on the federal Paycheck Protection Program as a
13 forgivable loan program for existing, new or restarted small businesses with fifty (50) employees
14 or less.

15 (d) Any loans, not to exceed twenty-five thousand dollars (\$25,000), granted under this
16 program would be forgiven if the small business uses the loan for the following eligible expenses:

17 (1) Payroll costs;

18 (2) Costs related to the continuation of group health care benefits during periods of paid

- 1 sick, medical, or family leave, and insurance premiums;
2 (3) Employee salaries, commissions, or similar compensations;
3 (4) Payments of interest on any mortgage obligation (which shall not include any
4 prepayment of or payment of principal on a mortgage obligation);
5 (5) Rent (including rent under a lease agreement);
6 (6) Utilities;
7 (7) Interest on any other debt obligations that were incurred before March 1, 2020;
8 (8) Capital equipment;
9 (9) Legal fees; and
10 (10) Licensing and permitting costs.
11 (e) This program shall include sale proprietors, independent contractors and eligible self-
12 employed individuals.
13 (f) The commerce corporation shall promulgate rules and regulations consistent with the
14 payroll protection program rules and regulations to implement the provisions of this section.

15 SECTION 2. Section 42-64.25-14 of the General Laws in Chapter 42-64.25 entitled "Small
16 Business Assistance Program" is hereby amended to read as follows:

17 **42-64.25-14. Sunset.**

18 No grants, funding, or incentives shall be authorized pursuant to this chapter after ~~June 30,~~
19 ~~2021~~ December 31, 2021.

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

=====
LC002417
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- SMALL BUSINESS
ASSISTANCE PROGRAM

1 This act would create a forgivable loan program for new, existing or restarted small
2 businesses with fifty (50) employees or less for forgivable loans not to exceed twenty-five thousand
3 dollars (\$25,000) funded by federal stimulus funds modeled on the federal Paycheck Protection
4 Program in response to the corona virus with a sunset date of December 31, 2021.

5 This act would take effect upon passage.

=====
LC002417
=====