



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

House: COM DPA 9-0-0-1 | APPROP DPA 13-0-0-0

HB 2282: small business assistance grants
Sponsor: Representative Lieberman, LD 28
Caucus & COW

Overview

Creates the Small Business Assistance Grant Fund (Fund) to provide grants to small business that closed due to the COVID-19 Pandemic.

History

According to JLBC, the Executive plans on allocating monies to state agency-relating programs as a response to COVID-19. Within the total allocation of monies, \$11 million is from the Crisis Contingency and Safety Net Fund (CCSNF) for economic assistance to small businesses and local chamber of commerce. An additional \$1 million from the CCSNF has been given to assist bars and restaurants in expanding their outdoor dining spaces ([Baseline Book – ACA](#)).

The CCSNF consists of legislative appropriations, public or private gifts, grants and donation. The fund is administered by the Governor who may only spend fund monies for the following forms of economic assistance during a state of emergency: 1) housing assistance; 2) services for homeless persons; 3) economic assistance to small businesses with less than 50 employees, non-profit organizations, and health care providers; and 4) monies for food bank operations ([A.R.S. § 41-110](#)).

According to JLBC, the legislature appropriated \$50,000,000 from the state GF to the CCSNF in FY 2020. As of December 2020, the Executive has allocated a total of \$43,945,000 from the fund ([Baseline FY 2022](#)).

Provisions

Small Business Assistance Grant Fund (Sec. 1)

1. Establishes the Fund to provide grants to eligible small business that closed due to the COVID-19 Pandemic.
 - a) Specifies the Fund is administered by the Arizona Commerce Authority (ACA) and monies are continuously appropriated.
2. Allows the following individuals and entities to apply to the ACA for a grant:
 - a) Sole proprietor;
 - b) Independent contractor;
 - c) self-employed who regularly carries on any trade or business;
 - d) tribal small business; and
 - e) cooperative and employee owned business.
3. Directs the ACA to award grants in the amount of \$5,000 and to allocate at least 30% of Fund monies to small businesses located in counties with a population of less than 900,000.
4. Requires small businesses to apply prior to an unspecified date and outlines the contents of the application.

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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5. Instructs the ACA to review the applications prior to an unspecified date and specifies priority of grant awards.
6. Permits the ACA to extend the application deadline to allow additional business to apply if Fund monies remain after the date of the initial application deadline.
7. Outlines entities not eligible for a grant.
8. Exempts small business grants from statutory requirements relating to solicitation and award of grants.
9. Defines *small business*.

Appropriation (Sec. 4)

10. Appropriates \$20 million from the Crisis Contingency and Safety Net Fund in FY 2021-22 to the Fund to provide financial relief to small businesses that closed as a result of the COVID-19 pandemic so that those small businesses can reopen.
11. Exempts monies from lapsing of appropriation.

Miscellaneous

12. Exempts the ACA from rule making for one year. (Sec. 2)
13. Contains a legislative intent clause. (Sec. 3)

Amendments

Committee on Commerce

1. Renames the Small Business Assistance Grant Fund to the Small Business Assistance Relief Fund.
2. Clarifies grants are provided to eligible small businesses that were negatively affected by COVID-19 pandemic.
3. Specifies grant awards are capped at \$5,000.
4. Requires applications for grant awards to be submitted and reviewed by December 31, 2021.
5. Removes language outlines the types of businesses not eligible for a grant.
6. Clarifies the types of business that are *eligible small businesses*.
7. Specifies small business that operated before January 1, 2020 and provides evidence of closure due to COVID-19 pandemic may apply for a grant.
 - a. Requires closed small business to provide plans to reopen.
8. Reduces the appropriated amount to \$5 million.
9. Makes further clarifying changes.

Committee on Appropriations

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