

Louisiana Main Street Recovery Program

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law by President Trump on March 27, 2020. The CARES Act established the \$150 billion Coronavirus Relief Fund for payments to State, Local, and Tribal governments navigating the impact of the COVID-19 outbreak. Louisiana received over \$1.8 billion in CARES Act funds.

Act 311 of the 2020 Regular Legislative Session created the Louisiana Main Street Recovery Program, administered by the State Treasurer. Act 311 directed \$300 million of the CARES Act funds to the Louisiana Main Street Recovery Fund to provide economic support to eligible Louisiana businesses for costs incurred in connection with COVID-19.

Definitions

Applicant means an eligible business or a representative of an eligible business that completes and submits an application for the program.

Authorized Chief Executive means the authorized representative to request, on behalf of the business, direct payments from the State of Louisiana from the allocation of funds to the Louisiana Main Street Recovery Program.

COVID-19 means the Coronavirus disease 2019.

Eligible Business means a for-profit corporation, a limited liability company, a partnership, or a sole proprietorship that meets all of the following criteria:

- a. Was domiciled in Louisiana as of March 1, 2020;
- b. Is in good standing with the Secretary of State, if applicable;
- c. Suffered an interruption of business caused by forced or voluntary closures or restricted operations due to social distancing measures, decreased customer demand, cleaning or disinfecting expenses, and providing personal protective equipment.
- d. Is at least 50% owned by one or more Louisiana residents, whether individual resident citizens or Louisiana domestic business entities;
- e. Filed Louisiana taxes for tax year 2018 or 2019 or, if an eligible business formed on or after January 1, 2020, intends to file Louisiana taxes for tax year 2020;
- f. Has customers or employees coming to its physical premises;
- g. Had no more than 50 full-time equivalent employees as of March 1, 2020;

- h. Is not a subsidiary of a business with more than 50 full-time equivalent employees, is not part of a larger business enterprise with more than fifty full-time equivalent employees, and is not owned by a business with more than 50 full-time equivalent employees.
- i. Does not exist for the purpose of advancing partisan political activity and does not directly lobby federal or state officials; and
- j. Does not derive income from passive investments without active participation in business operations.

Eligible Expense means a cost incurred by an eligible business due to public health measures or an interruption of business beginning March 1, 2020, and ending December 30, 2020.

Grant means an award by the Treasurer to an eligible business under the Louisiana Main Street Recovery Program.

Interruption of Business means business interruption caused by forced or voluntary closures or restricted operations, including but not limited to social distancing measures, decreased customer demand, cleaning or disinfection expenses, and providing personal protective equipment, related to COVID-19.

Louisiana Resident means every natural person domiciled in the state, and every other natural person who maintains a permanent place of abode within the state or who spends in the aggregate more than six months of the taxable year within the state.

Minority Business Enterprise means a small business organized for profit performing a commercially useful function which is at least 50 percent owned by one or more minority individuals, women, or veterans, who also control and operate the business. If more than one person owns the enterprise, at least 50% of the owners must be resident citizens of the state. “Control” means exercising the power to make policy decisions and “operate” means being actively involved in the day-to-day management of the business.

Grant Awards

Applicants must complete and submit a Program Application Form to qualify for the program. Amounts awarded will be based on eligible expenses, but no award will exceed \$15,000. The purpose of the grant is to provide economic support to eligible Louisiana businesses for costs incurred due to public health measures or an interruption of business. The categories of recipients will be chosen by the applicant based on the North American Industry Classification System (NAICS) code.

It is the obligation of the eligible business to demonstrate how any claimed expense meets the requirements to be deemed an eligible expense, including its relation to the interruption of business and/or public health measures undertaken in response to COVID-19.

Total eligible expenses will be reduced by the amount of any U.S. Small Business Administration Paycheck Protection Program (PPP) loan funds, U.S. Small Business Administration Economic Injury Disaster Loan (EIDL) advance funds, and business interruption insurance proceeds received by the eligible business.

All applicants will be required to disclose if they have applied for but not yet received PPP funds or EIDL funds or if they have made a business interruption insurance claim. Future receipt of any of these funds may result in the applicant paying back some or all of the grant funds received.

Any established procedures may be amended by the Treasury at any time and are further subject to amendment pursuant to any change in the federal or state law providing for the grant funds and the regulations and guidance implemented related thereto.

Number of eligible recipients

Based on the 2020 US Small Business Administration profile, we estimate over 450,000 businesses with up to 50 employees is the eligible pool for the program.

Repayment of Funds

By submitting an application, each applicant will acknowledge and agree under penalty of perjury that the submission of any false, fraudulent, or materially misleading information in the application or in support of the application will result in immediate disqualification and penalties under state and federal law. If such information is discovered following an award of grant funds, the applicant and anyone acting as a representative of the applicant will be prosecuted to the fullest extent of the law and shall repay all grant funds received.

Priority Eligible Businesses

Applications will be taken online through a web portal at the Treasury's website. Reasonable accommodations will be made, on request, to enable all businesses that wish to apply the ability to participate fully in the process and to enjoy all program benefits for which they qualify.

For the first 21 days of the program, the Treasury will only consider and review applications from eligible businesses that did not receive a PPP loan and/or an EIDL advance, reimbursement under any federal program for the expenses that will be reimbursed by a grant under the program, or compensation from an insurance company for an interruption of business.

At least \$40 million in program funds are reserved for awards to eligible businesses constituting minority business enterprises during the first 60 days of the application period.

Applications

All applicants must provide the following information in the application:

1. Authorized Representative name, address, phone number, email address
2. Federal Taxpayer Identification Number;
3. State Taxpayer Identification Number;
4. Louisiana Department of Revenue Account Number;
5. Business legal name;
6. DBA or tradename (if applicable);
7. Date of formation/creation;
8. Business address;
9. Business phone number;
10. Email address;
11. Name of primary contact (if different from authorized representative)
12. Industry category
13. Business type;
14. Louisiana Secretary of State Business ID number (if applicable);
15. Louisiana Workforce Commission Employer ID number (if applicable);
16. For every individual who is a controlling owner:
 - a. Owner name;
 - b. Title of owner;
 - c. Percentage owned;
 - d. Taxpayer identification number;
 - e. Address of owner;
 - f. Indication of any owner who is a Louisiana resident; and
 - g. Indication of any owner who is a participant in the applicant's active day-to-day operations.
17. Number of full-time equivalent employees as of March 1, 2020;
18. Indication that the business is a minority business enterprise (if applicable);
19. Purpose of the grant
20. Confirmation that the business was domiciled in Louisiana as of March 1, 2020;
21. Confirmation that the business was in good standing with the Louisiana Secretary of State (if applicable);
22. Confirmation that the business suffered an interruption of business caused by forced or voluntary closures or restricted operations due to social distancing measures, decreased customer demand, cleaning or disinfecting expenses, and providing personal protective equipment;
23. Confirmation that the business was at least 50% owned by one or more Louisiana residents, whether individual resident citizens or Louisiana domestic business entities;

24. Confirmation that the business filed Louisiana taxes for tax year 2018 or 2019 or, if an eligible business formed on or after January 1, 2020, intends to file Louisiana taxes for tax year 2020;
25. Confirmation that the business had customers or employees coming to its physical premises;
26. Confirmation that the business had no more than 50 full-time equivalent employees as of March 1, 2020;
27. Confirmation that the business is not a subsidiary of a business with more than 50 full-time equivalent employees, is not part of a larger business enterprise with more than 50 full-time equivalent employees, and is not owned by a business with more than 50 full-time equivalent employees;
28. Confirmation that the business does not exist for the purpose of advancing partisan political activity and does not directly lobby federal or state officials;
29. Confirmation that the business does not derive income from passive investments without active participation in business operations;
30. Indication as to whether (and if so, how much) the applicant has applied for and/or received funds from any of the following:
 - a. U.S. Small Business Administration Paycheck Protection Program loan;
 - b. U.S. Small Business Administration Economic Injury Disaster Loan advance;
 - c. Other federal programs; and
 - d. Business interruption insurance proceeds.

In addition to providing answers to these questions, the applicant must submit the following documentation at the time of application:

1. Government issued photo ID of the person signing the application.
2. Business license for sole proprietorships and general partnerships, articles of organization/certification of incorporation for corporations and limited liability corporations, or certificate of limited partnership/LLP registration for limited liability partnerships.
3. A tax return filed for the eligible business for 2018 and/or 2019. If the eligible business formed on or after January 1, 2020, a return will not be required. Those entities that do not file tax returns in the name of the eligible business (e.g., single member LLCs, sole proprietorships and certain partnerships) will submit the Schedule C to the appropriate individual tax return.
4. Business interruption insurance declaration page (if applicable).
5. Evidence of minority business enterprise status (if applicable).
6. Evidence of eligible expenses including, but not limited to, invoices, receipts, rental/lease agreements, contracts, payroll/time records, utility bills, mortgage statements, or other applicable documentation.

The applicant must certify to certain required statements, including a statement that it understands and agrees to all provisions of the program including but not limited to Act 311 of the 2020 Regular Legislative Session and the program procedures. Failure to agree to these certifications and representations will cause the application to be disqualified.

An applicant found to be fully or partially noncompliant with grant requirements will be required to return all or a portion of the grant monies received and may result in additional civil and criminal penalties.

Application Review Process

Applications will be processed in accordance with the priority set forth in law.

The amount requested for each grant will be calculated based on the proof of eligible expenses submitted by the applicant.

Non-qualifying applicants will be notified of the disqualification.

A final grant award amount will be determined and notice will be provided to the eligible business.

At any point during this process, the Treasury may contact the applicant for further information or supplemental documentation.

The Treasury reserves the right to independently verify any information submitted.

Distribution of Funds

All grant funds will be disbursed by written check in the name of the eligible business and mailed to the physical address provided in the application.

Appeals Process

An applicant may appeal any award or disqualification notice received from the Treasury.

Fraud Referrals

In cases in which fraud is suspected or where false or materially misleading information or documentation has been provided by an applicant and/or an applicant's representative, a written

referral will be made to the Louisiana Legislative Auditor's Office, the Louisiana Attorney General's Office, or in certain cases the Office of the United States Attorney. The Treasury will cooperate fully in such investigations and provide all information and documentation it has received or gathered on the applicant and/or the applicant's representative.

Availability of Funds

This program is contingent upon the availability of funds as appropriated by the Legislature and provided by the federal government.