

Calendar No. 387

117TH CONGRESS
2^D SESSION**H. R. 3807**

IN THE SENATE OF THE UNITED STATES

APRIL 7, 2022

Received

MAY 24, 2022

Read the first time

MAY 25, 2022

Read the second time and placed on the calendar

AN ACT

To amend the American Rescue Plan Act of 2021 to increase appropriations to the Restaurant Revitalization Fund, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Relief for Restaurants
5 and other Hard Hit Small Businesses Act of 2022”.

1 **SEC. 2. RESTAURANT REVITALIZATION GRANTS.**

2 (a) APPROPRIATION.—Section 5003(b)(2) of the
3 American Rescue Plan Act of 2021 (15 U.S.C.
4 9009c(b)(2)) is amended—

5 (1) in subparagraph (A)—

6 (A) by striking “\$28,600,000,000” and in-
7 serting “\$70,600,000,000”; and

8 (B) by inserting “, of which not more than
9 \$420,000,000 shall be for administrative ex-
10 penses to carry out this section, and of which
11 \$7,500,000 shall be for the Inspector General
12 of the Small Business Administration,
13 \$7,500,000 for the Department of Justice for
14 investigative and prosecutorial activities related
15 to fraud and abuse, and \$7,500,000 for Pan-
16 demic Response Accountability Committee, for
17 audits of grants under this section to inves-
18 tigate fraud and to identify improper payments
19 and ineligible recipients, and for other nec-
20 essary expenses” before the period at the end;
21 and

22 (2) in subparagraph (B)(i)(II), by striking
23 “\$23,600,000,000” and inserting “any remaining
24 amounts not used for a purpose authorized under
25 subparagraph (A) or clause (i) of this subpara-
26 graph”.

1 (b) INSUFFICIENT FUNDING.—Section 5003 of the
2 American Rescue Plan Act of 2021 (15 U.S.C. 9009c) is
3 amended by adding at the end the following:

4 “(d) INSUFFICIENT FUNDING.—

5 “(1) IN GENERAL.—If the Administrator deter-
6 mines that the amounts made available to carry out
7 this section are insufficient to make grants in the
8 amount provided in subsection (c)(4) to each eligible
9 entity that has submitted an application in accord-
10 ance with the program guidelines in effect on the
11 day before the date of enactment of this subsection,
12 but has not received an award as of such date, the
13 Administrator shall make grants with the available
14 amounts to each such eligible applicant—

15 “(A) such that the amount of the grant
16 that each such eligible entity would have other-
17 wise received under this section is reduced by
18 an equal percentage;

19 “(B) by establishing a maximum amount
20 for a grant made under this subsection to en-
21 sure that smaller eligible entities still receive
22 grants in the amounts provided under sub-
23 section (c)(4); or

24 “(C) by providing full awards in the
25 amounts provided under subsection (c)(4) below

1 a certain threshold (as the Administrator may
2 establish) and reducing grants above that
3 threshold by an equal percentage.

4 “(2) RESERVING FUNDS.—Nothing in para-
5 graph (1) shall prevent the Administrator from—

6 “(A) reserving funding for applicants that
7 may be determined to be eligible for a grant
8 under this section upon reconsideration; or

9 “(B) making partial awards to eligible en-
10 tities on a preliminary basis until the amount of
11 funding required to fund grants to all eligible
12 applicants is established, upon the completion
13 of the reconsideration process.”.

14 (c) REPORTS; RECONSIDERATION; VERIFICATION OF
15 BUSINESS TYPE.—Section 5003 of the American Rescue
16 Plan Act of 2021 (15 U.S.C. 9009c), as amended by sub-
17 section (b), is further amended by adding at the end the
18 following:

19 “(e) REPORTS.—The Administrator shall—

20 “(1) on a biweekly basis until the amounts
21 made available to carry out this section are fully ex-
22 pended, publish data that shows, for the period be-
23 ginning on the date on which the Administrator
24 began making grants under this section and ending
25 on the date on which the information is published—

1 “(A) with respect to applications for grants
2 under this section, the number of those applica-
3 tions—

4 “(i) that the Administrator has re-
5 ceived;

6 “(ii) that the Administrator has re-
7 viewed or is in the process of reviewing;
8 and

9 “(iii) with respect to which the Ad-
10 ministrator has made a decision; and

11 “(B) the number and dollar amount of
12 grants under this section—

13 “(i) that have been awarded; and

14 “(ii) that have been disbursed;

15 “(2) on a weekly basis until the amounts made
16 available to carry out this section are fully expended,
17 publish, with respect to the period beginning on the
18 date of enactment of this subsection and ending on
19 the date on which the information is published—

20 “(A) with respect to each eligible entity to
21 which a grant is made under this section—

22 “(i) the name of the eligible entity, in-
23 cluding the name or names under which
24 the eligible entity does business if that

1 name is different from the name of the eli-
2 gible entity; and

3 “(ii) the address of—

4 “(I) the eligible entity; and

5 “(II) the physical location or lo-
6 cations for the eligible entity listed on
7 the application, if different from the
8 address of the eligible entity;

9 “(B) the amount of each grant described
10 in subparagraph (A); and

11 “(C) the business category listed in sub-
12 section (a)(4)(A) to which the eligible entity be-
13 longs.

14 “(f) RECONSIDERATION.—

15 “(1) EXPLANATION FOR DENIAL.—With respect
16 to an applicant that applies for a grant under this
17 section and is denied by the Administrator, the Ad-
18 ministrator shall make available to the applicant a
19 brief explanation identifying the reason why the Ad-
20 ministrator denied the application of the applicant,
21 which shall include, where applicable, a citation to
22 the statutory, regulatory, or guidance provision with
23 which the applicant failed to comply and that was
24 the basis for the denial.

1 “(2) PROCESS.—The Administrator shall estab-
2 lish a reconsideration process through which the ap-
3 plicant may—

4 “(A) submit to the Administrator addi-
5 tional information the applicant determines to
6 be relevant to whether the applicant is eligible
7 for the grant; and

8 “(B) receive a review of the application
9 and such additional information submitted
10 under subparagraph (A).

11 “(g) VERIFICATION OF BUSINESS TYPE.—If the Ad-
12 ministrators verifies that an applicant for a loan under sec-
13 tion 7(a)(36) of the Small Business Act is not an eligible
14 business type for a grant under this section using credible
15 information other than information obtained from the ap-
16 plication of the applicant for such loan during 2020, the
17 Administrator may reject the application solely on those
18 grounds.”.

19 (d) REQUIREMENT OF CONTINUING OPERATION.—
20 For any application for a grant under section 5003 of the
21 American Rescue Plan Act of 2021 (15 U.S.C. 9009c)
22 that is pending on the date of enactment of this Act or
23 for which the applicant has received an award notice but
24 the Administrator has not disbursed amounts under the
25 grant, the Administrator may not disburse amounts under

1 the grant unless the applicant submits a statement to the
2 Administrator indicating the applicant is still operating,
3 or intends to reopen within 6 months after the date of
4 the statement is submitted, the place of business for which
5 such applicant is seeking such grant.

6 (e) OVERSIGHT AND AUDITS.—Section 5003 of the
7 American Rescue Plan Act of 2021 (15 U.S.C. 9009c),
8 as amended by subsection (c), is further amended by add-
9 ing at the end the following:

10 “(h) OVERSIGHT AND AUDITS.—

11 “(1) IN GENERAL.—The Administrator shall in-
12 stitute an oversight and audit plan with respect to
13 eligible entities receiving grants under this section,
14 which shall include—

15 “(A) documentation requirements that are
16 consistent with the eligibility and other require-
17 ments under this section, including by requiring
18 an eligible entity that receives a grant under
19 this section to retain records that demonstrate
20 compliance with those requirements; and

21 “(B) reviews of the use of grants made
22 under this section by eligible entities.

23 “(2) SUBMISSION OF PLAN.—Not later than 30
24 days after the date of enactment of this subsection,
25 the Administrator shall submit to the Committee on

1 Small Business and Entrepreneurship of the Senate
2 and the Committee on Small Business of the House
3 of Representatives the plan required under para-
4 graph (1), which shall describe—

5 “(A) the policies and procedures of the Ad-
6 ministrator for conducting oversight and audits
7 of grants made under this section; and

8 “(B) the metrics that the Administrator
9 will use to determine which grants made under
10 this section will be audited under that plan.

11 “(3) REPORTS.—Not later than 60 days after
12 the date of enactment of this subsection, and once
13 every 30 days thereafter until the date that is 180
14 days after the date on which all amounts made avail-
15 able to carry out this section have been fully ex-
16 pended, and upon request thereafter, the Adminis-
17 trator shall submit to the Committee on Small Busi-
18 ness and Entrepreneurship of the Senate and the
19 Committee on Small Business of the House of Rep-
20 resentatives a report on the oversight and audit ac-
21 tivities of the Administrator under this subsection,
22 which shall include—

23 “(A) the total number of grants approved
24 and disbursed under this section;

1 “(B) the total amount of each grant re-
2 ceived by each eligible entity;

3 “(C) the number of active investigations
4 and audits of grants made under this section;

5 “(D) the number of completed reviews and
6 audits of grants made under this section, in-
7 cluding a description of—

8 “(i) any findings of fraud or other
9 material noncompliance with the require-
10 ments of this section; and

11 “(ii) the total amount recouped from
12 ineligible recipients; and

13 “(E) a description of any substantial
14 changes made to the plan required under para-
15 graph (1).

16 “(4) RETROACTIVE APPLICATION.—This sub-
17 section shall apply to grants and decisions made
18 under this section before, on, or after the date of en-
19 actment of this subsection.”.

20 **SEC. 3. HARD HIT INDUSTRIES AWARD PROGRAM.**

21 (a) DEFINITIONS.—In this section:

22 (1) ADMINISTRATOR.—The term “Adminis-
23 trator” means the Administrator of the Small Busi-
24 ness Administration.

1 (2) AFFILIATED BUSINESS.—The term “affili-
2 ated business” means a business in which an eligible
3 entity—

4 (A) has an equity or right to receive not
5 less than 50 percent of the profit distributions
6 of such business; or

7 (B) has, on or before March 13, 2020, con-
8 tractual authority to control the business.

9 (3) AWARD.—The term “award” means a fi-
10 nancial assistance payment that an eligible applicant
11 receives directly from the Small Business Adminis-
12 tration.

13 (4) COVERED PERIOD.—The term “covered pe-
14 riod” means the period beginning on February 15,
15 2020, and ending on the later of—

16 (A) March 31, 2023; or

17 (B) a date to be determined by the Admin-
18 istrator that is not later than 2 years after the
19 date of enactment of this section.

20 (5) ELIGIBLE ENTITY.—The term “eligible enti-
21 ty”—

22 (A) means a small business concern that—

23 (i) employs not more than 200 em-
24 ployees; and

1 (ii) suffered a pandemic-related rev-
2 enue loss of 40 percent or greater; and

3 (B) does not include a small business con-
4 cern that—

5 (i) is a State or local government-op-
6 erated business;

7 (ii) has received a grant under—

8 (I) section 324 of the Economic
9 Aid to Hard Hit Small Businesses,
10 Nonprofits, and Venues Act (15
11 U.S.C. 9009a); or

12 (II) section 5003 of the Amer-
13 ican Rescue Plan Act of 2021 (Public
14 Law 117–2);

15 (iii) is a publicly-traded company;

16 (iv) is an entity that is owned or oper-
17 ated by a private equity fund; or

18 (v) has a wage violation at the time of
19 application.

20 (6) ELIGIBLE SELF-EMPLOYED INDIVIDUAL.—

21 The term “eligible self-employed individual” has the
22 meaning given in section 7002(b) of the Families
23 First Coronavirus Response Act (26 U.S.C. 1401
24 note).

1 (7) EXCHANGE; ISSUER; SECURITY.—The terms
2 “exchange”, “issuer”, and “security” have the
3 meanings given those terms, respectively, in section
4 3(a) of the Securities Exchange Act of 1934 (15
5 U.S.C. 78c(a)).

6 (8) PANDEMIC-RELATED REVENUE LOSS.—

7 (A) IN GENERAL.—The term “pandemic-
8 related revenue loss” means, subject to sub-
9 paragraph (B) and with respect to an eligible
10 entity—

11 (i) except as provided in clauses (ii)
12 and (iii), the average annual gross receipts
13 during 2020 and 2021, as established
14 using such verification documentation as
15 the Administrator may require, of the eligi-
16 ble entity subtracted from the gross re-
17 ceipts of the eligible entity in 2019, if such
18 sum is greater than zero;

19 (ii) if the eligible entity was not in op-
20 eration for the entirety of 2019—

21 (I) the difference between—

22 (aa) the product obtained by
23 multiplying the average monthly
24 gross receipts of the eligible enti-
25 ty in 2019 by 12; and

1 (bb) the product obtained by
2 multiplying the average monthly
3 gross receipts of the eligible enti-
4 ty in 2020 and 2021 by 12; or

5 (II) an amount based on a for-
6 mula determined by the Adminis-
7 trator; or

8 (iii) if the eligible entity began oper-
9 ations during the period beginning on Jan-
10 uary 1, 2020, and ending on the day be-
11 fore the date of enactment of this section,
12 an amount based on a formula determined
13 by the Administrator.

14 (B) REDUCTION.—For purposes of this
15 paragraph, the pandemic-related revenue losses
16 for an eligible entity calculated under subpara-
17 graph (A) shall be reduced by the sum of—

18 (i) any amount received from a cov-
19 ered loan made under paragraph (36) or
20 (37) of section 7(a) of the Small Business
21 Act (15 U.S.C. 636(a)) in 2020 or 2021;

22 (ii) any amount received as a grant
23 under section 1110 of the Coronavirus Aid,
24 Relief, and Economic Security Act (15
25 U.S.C. 9009); and

1 (iii) any amount received as a grant
2 under section 331 of the Economic Aid to
3 Hard-Hit Small Businesses, Nonprofits,
4 and Venues Act (15 U.S.C. 9009b).

5 (C) PERCENTAGE DETERMINATION.—For
6 the purposes of determining the percentage of
7 pandemic-related revenue loss under this sub-
8 section, the percentage shall be equal to—

9 (i) in the case of an eligible entity for
10 which subparagraph (A)(i) applies, the
11 product obtained by multiplying—

12 (I) the quotient obtained by di-
13 viding the pandemic-related revenue
14 losses for such eligible entity by the
15 gross receipts of the eligible entity in
16 2019; and

17 (II) 100;

18 (ii) in the case of an eligible entity for
19 which subparagraph (A)(ii)(I) applies, the
20 product obtained by multiplying—

21 (I) the quotient obtained by di-
22 viding the pandemic-related revenue
23 losses for such eligible entity by the
24 product obtained by multiplying the

1 average monthly gross receipts of the
2 eligible entity in 2019 by 12; and

3 (II) 100; and

4 (iii) in the case of an eligible entity
5 for which clauses (ii)(II) or (iii) applies, an
6 amount based on a formula determined by
7 the Administrator.

8 (9) PAYROLL COSTS.—The term “payroll costs”
9 has the meaning given the term in section
10 7(a)(36)(A) of the Small Business Act (15 U.S.C.
11 636(a)(36)(A)), except that such term shall not in-
12 clude—

13 (A) qualified wages, as defined in section
14 2301(c) of the CARES Act (26 U.S.C. 3111
15 note), taken into account in determining the
16 credit allowed under such section 2301; or

17 (B) premiums taken into account in deter-
18 mining the credit allowed under section 6432 of
19 the Internal Revenue Code of 1986.

20 (10) PRIVATE EQUITY FUND.—The term “pri-
21 vate equity fund” has the meaning given the term
22 in section 225.173(a) of title 12, Code of Federal
23 Regulations, or any successor regulation.

24 (11) PUBLICLY-TRADED COMPANY.—The term
25 “publicly-traded company” means an entity that is

majority owned or controlled by an entity that is an issuer, the securities of which are listed on a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).

(12) SMALL BUSINESS CONCERN.—The term “small business concern” has the meaning given under section 3 of the Small Business Act (15 U.S.C. 632) and includes—

(A) individuals who operate under a sole proprietorship, as an independent contractor, or as an eligible self-employed individual; and

(B) small business concerns described in subparagraphs (B), (C), and (D) of section 31(b)(2) of the Small Business Act (15 U.S.C. 657a(b)(2)).

(13) SMALL BUSINESS ACT DEFINITIONS.—The terms “covered mortgage obligation”, “covered operations expenditure”, “covered rent obligation”, “covered supplier cost”, “covered utility payment”, and “covered worker protection expenditure” have the meanings given, respectively, in section 7A of the Small Business Act (15 U.S.C. 636m).

(b) AWARDS TO ELIGIBLE ENTITIES.—

(1) IN GENERAL.—From amounts made available under this Act, the Administrator shall estab-

1 lish a program to be known as the “Hard Hit Indus-
2 tries Award Program”, under which the Adminis-
3 trator shall make awards to eligible entities that
4 submit an application under paragraph (2).

5 (2) APPLICATION.—

6 (A) CERTIFICATION.—An eligible entity
7 shall submit to the Administrator an applica-
8 tion for an award under this subsection. In
9 such application, the eligible entity shall make
10 a good faith certification that—

11 (i) the uncertainty of current eco-
12 nomic conditions makes necessary the
13 award request to support the ongoing oper-
14 ations of the eligible entity; and

15 (ii) the eligible entity has no pending
16 application for and has not received a
17 grant under—

18 (I) section 324 of the Economic
19 Aid to Hard-Hit Small Businesses,
20 Nonprofits, and Venues Act (15
21 U.S.C. 9009a); or

22 (II) section 5003 of the Amer-
23 ican Rescue Plan Act of 2021 (15
24 U.S.C. 9009c).

1 (B) VERIFICATION.—The Administrator
2 shall use tax records or other reliable sources,
3 such as certified accounting statements, with
4 respect to an applicant for an award under this
5 section to determine—

6 (i) the eligibility of the applicant for
7 that award; and

8 (ii) the amount of that award to the
9 applicant.

10 (C) ACCEPTANCE OF APPLICATIONS.—Not
11 later than 120 days after the date of the enact-
12 ment of this Act, the Administrator shall begin
13 accepting applications for an award under this
14 subsection.

15 (D) PRIORITY.—

16 (i) IN GENERAL.—The Administrator
17 shall prioritize eligible entities that have
18 experienced significant pandemic-related
19 revenue loss to receive an award under this
20 section as follows:

21 (I) First priority to eligible enti-
22 ties that experienced a pandemic-re-
23 lated revenue loss of at least 80 per-
24 cent.

1 (II) Second priority to eligible
2 entities that experienced a pandemic-
3 related revenue loss of at least 60 per-
4 cent.

5 (ii) SMALLER ENTITIES.—Within each
6 category of eligible entities described in
7 subclauses (I) through (III) of clause (i),
8 the Administrator may prioritize awards to
9 eligible entities with 50 employees or
10 fewer.

11 (iii) ADDITIONAL PRIORITY.—Within
12 each category of eligible entities described
13 in subclauses (I) through (III) of clause
14 (i), the Administrator may prioritize
15 awards to eligible entities that did not re-
16 ceive a covered loan made under paragraph
17 (36) or (37) of section 7(a) of the Small
18 Business Act (15 U.S.C. 636(a)) in 2020
19 or 2021.

20 (3) AWARD AMOUNT.—

21 (A) AGGREGATE MAXIMUM AMOUNT.—The
22 aggregate maximum amount of awards made to
23 an eligible entity and any affiliated businesses
24 of the eligible entity under this subsection may
25 not exceed \$1,000,000.

1 (B) DETERMINATION OF AWARD
2 AMOUNT.—

3 (i) IN GENERAL.—Except as provided
4 in this paragraph, the amount of an award
5 made to an eligible entity under this sub-
6 section shall be equal to the pandemic-re-
7 lated revenue loss of the eligible entity.

8 (ii) RETURN TO TREASURY.—Any
9 amount of an award made under this sub-
10 section to an eligible entity described in
11 clause (ii) or (iii) of subsection (a)(8)(A)
12 that is greater than the average annual
13 gross receipts of the eligible entity in 2020
14 and 2021 shall be returned to the Treas-
15 ury.

16 (C) INSUFFICIENT FUNDING.—After se-
17 lecting award recipients in accordance with
18 paragraph (2)(D) and before disbursing any
19 awards under this section, if the Administrator
20 determines that the amounts made available
21 under this Act for making awards under this
22 section are insufficient to make awards to each
23 eligible entity that submits an application under
24 paragraph (2) in the amount described under
25 subparagraphs (A) and (B), the Administrator

1 may make awards with the available amounts
2 such that the amount of the award that each el-
3 igible entity would have otherwise received
4 under those subparagraphs and in accordance
5 with paragraph (2)(D) is reduced by a percent-
6 age, except that the Administrator may estab-
7 lish an aggregate maximum amount for awards
8 made under this subparagraph and in accord-
9 ance with paragraph (2)(D) to ensure that
10 smaller eligible entities receive awards in the
11 amounts provided under those subparagraphs.

12 (4) USE OF FUNDS.—During the covered pe-
13 riod, an eligible entity that receives an award under
14 this subsection may use the award for the following
15 expenses incurred as a direct result of, or during,
16 the COVID–19 pandemic:

17 (A) Payroll costs.

18 (B) Payments to independent contractors,
19 as reported on Form 1099–MISC, except that
20 each such payment may not exceed \$100,000.

21 (C) Scheduled payments of interest or
22 principal on any covered mortgage obligation
23 (which may not include any prepayment of
24 principal on a covered mortgage obligation).

1 (D) Payments on any covered rent obliga-
2 tion and common area maintenance charges
3 under a lease agreement.

4 (E) Covered utility payments.

5 (F) Maintenance expenses.

6 (G) Covered worker protection expendi-
7 tures.

8 (H) Supplies, including protective equip-
9 ment and cleaning materials.

10 (I) Expenses that were within the scope of
11 the normal business practice of the eligible enti-
12 ty before the covered period.

13 (J) Covered supplier costs.

14 (K) Covered operational expenses.

15 (L) Paid sick leave.

16 (M) Capital expenditures (or expenses re-
17 quired under any Federal, State, or local law)
18 relating to implementing social distancing meas-
19 ures.

20 (N) Any other essential expenses of the eli-
21 gible entity, as determined by the Adminis-
22 trator.

23 (5) RETURNING FUNDS.—If an eligible entity
24 that receives an award under this section fails to use
25 all of the award on or before the last day of the cov-

1 ered period or permanently ceases operations on or
2 before the last day of the covered period, the eligible
3 entity shall return to the Administrator any funds
4 that the eligible entity did not use for the allowable
5 expenses under paragraph (4).

6 (c) DATA TRANSPARENCY AND CUSTOMER SERV-
7 ICE.—The Administrator shall—

8 (1) in carrying out this section, maintain reg-
9 ular communication with applicants and representa-
10 tives of such applicants, including by—

11 (A) hosting regularly scheduled informa-
12 tion sessions with those persons; and

13 (B) providing opportunities to those per-
14 sons to submit and receive answers to questions
15 regarding awards made under this section;

16 (2) on a weekly basis until the amounts made
17 available under this section are fully expended, pub-
18 lish data that shows, for the period beginning on the
19 date of enactment of this Act and ending on the
20 date on which the information is published—

21 (A) with respect to applications for awards
22 under this section, the number of those applica-
23 tions—

24 (i) that the Administrator has re-
25 ceived;

1 (ii) that the Administrator has re-
2 viewed or is in the process of reviewing;
3 and

4 (iii) with respect to which the Admin-
5 istrator has made a decision; and

6 (B) the number and dollar amount of pay-
7 ments awarded and disbursed under this sec-
8 tion;

9 (3) on a weekly basis until the amounts made
10 available to carry out this section are fully expended,
11 publish, for the period beginning on the date of en-
12 actment of this Act and ending on the date on which
13 the information is published—

14 (A) the name and location of each eligible
15 entity to which an award has been made under
16 this section; and

17 (B) the amount of such award;

18 (4) with respect to an applicant that applies for
19 an award under this section and is denied by the
20 Administrator—

21 (A) make available to the applicant a brief
22 explanation regarding the denial which shall in-
23 clude, where applicable, a citation to the stat-
24 ute, regulation, or guidance with which the ap-

1 plicant failed to comply and that was the basis
2 for the denial; and

3 (B) establish a reconsideration process
4 through which the applicant may—

5 (i) submit to the Administrator addi-
6 tional information the applicant determines
7 to be relevant to whether the applicant is
8 eligible for the grant; and

9 (ii) receive a review of the application
10 and such additional information submitted
11 under clause (i).

12 (d) TAX TREATMENT OF AWARDS.—

13 (1) IN GENERAL.—For the purposes of the In-
14 ternal Revenue Code of 1986—

15 (A) no award made under this section shall
16 be included in the gross income of the eligible
17 entity that receives an award;

18 (B) no deduction shall be denied, no tax
19 attribute shall be reduced, and no basis increase
20 shall be denied, by reason of the exclusion from
21 gross income provided by subparagraph (A);
22 and

23 (C) in the case of a partnership or S cor-
24 poration that receives an award under this sec-
25 tion—

1 (i) any amount excluded from income
2 by reason of subparagraph (A) shall be
3 treated as tax exempt for purposes of sec-
4 tions 705 and 1366 of such Code; and

5 (ii) the Secretary of the Treasury (or
6 the Secretary's delegate) shall prescribe
7 rules for determining a partner's distribu-
8 tive share of any amount described in
9 clause (i) for purposes of section 705 of
10 such Code.

11 (2) APPLICABILITY.—Paragraph (1) shall apply
12 to taxable years ending after the date of enactment
13 of this Act.

14 (e) SYSTEM FOR AWARD MANAGEMENT.—The Ad-
15 ministrators may not require any eligible entity that applies
16 for an award under this section to use the System for
17 Award Management (or any successor system) with re-
18 spect to that award.

19 (f) APPLICATION PROCESSING.—The Director of the
20 Office of Management and Budget may, on an emergency
21 basis and in order to expedite the processing and approval
22 of applications for awards under this section, waive the
23 requirements of part 200 of title 2, Code of Federal Regu-
24 lations (or any successor regulations) with respect to an
25 award made under this section, if—

1 (1) the Director finds that such a waiver will
2 prevent eligible entities from failing or suffering
3 undue hardship; and

4 (2) each eligible entity that receives an award
5 under this section is still required to submit to the
6 Administrator ongoing reports regarding the use by
7 the eligible entity of the award amounts.

8 (g) OVERSIGHT AND AUDITS.—

9 (1) IN GENERAL.—In cooperation with the Di-
10 rector of the Office of Management and Budget, the
11 Administrator shall establish an oversight and audit
12 plan with respect to eligible entities receiving awards
13 under this section, which shall include—

14 (A) documentation requirements that are
15 consistent with the eligibility and other require-
16 ments under this section, including a require-
17 ment that an eligible entity that receives an
18 award under this section retains records that
19 demonstrate compliance with the requirements
20 of this section; and

21 (B) reviews of the use, by eligible entities,
22 of awards made under this section to ensure
23 compliance with the requirements of this sec-
24 tion, which shall include—

1 (i) a review and audit by the Adminis-
2 trator of awards made under this section;
3 and

4 (ii) in the case of fraud or other mate-
5 rial noncompliance with respect to an
6 award made under this section—

7 (I) a requirement that the appli-
8 cable eligible entity repay to the Ad-
9 ministrator the amount of the
10 misspent funds; or

11 (II) legal action by the Adminis-
12 trator to collect the misspent funds.

13 (2) SUBMISSION OF PLAN.—Not later than 30
14 days after the date of the enactment of this Act, the
15 Administrator shall submit to the Committee on
16 Small Business and Entrepreneurship of the Senate
17 and the Committee on Small Business of the House
18 of Representatives the plan required under para-
19 graph (1), which shall describe—

20 (A) the policies and procedures of the Ad-
21 ministrator for conducting oversight and audits
22 of awards made under this section; and

23 (B) the metrics that the Administrator will
24 use to determine which awards made under this
25 section will be audited under that plan.

1 (3) REPORTS.—Not later than 60 days after
2 the date of the enactment of this Act, once every 30
3 days thereafter until the date that is 180 days after
4 the date on which all amounts made available to
5 carry out this section have been fully expended, and
6 upon request thereafter, the Administrator shall sub-
7 mit to the Committee on Small Business and Entre-
8 preneurship of the Senate and the Committee on
9 Small Business of the House of Representatives a
10 report on the oversight and audit activities of the
11 Administrator under this subsection, which shall in-
12 clude—

13 (A) the total number of awards approved
14 and disbursed under this section;

15 (B) the total amount of each award re-
16 ceived by each eligible entity;

17 (C) the number of active investigations and
18 audits of awards made under this section;

19 (D) the number of completed reviews and
20 audits of awards made under this section, in-
21 cluding a description of any findings of fraud or
22 other material noncompliance with the require-
23 ments of this section; and

1 (E) a description of any substantial
2 changes made to the plan required under para-
3 graph (1).

4 (h) RULES.—Not later than 90 days after the date
5 of the enactment of this Act, the Administrator shall issue
6 rules to carry out this section, without regard to the notice
7 requirements under section 553(b) of title 5, United
8 States Code.

9 (i) AUTHORIZATION OF APPROPRIATIONS.—In addi-
10 tion to amounts otherwise available, there is appropriated
11 for fiscal year 2022, out of any money in the Treasury
12 not otherwise appropriated, \$13,000,000,000, for the
13 Hard Hit Industries Award Program established under
14 this section, to remain available until expended, of which
15 not more than \$380,000,000 shall be for administrative
16 expenses to carry out this section, of which—

17 (1) \$2,500,000 shall be for the Inspector Gen-
18 eral of the Small Business Administration to prevent
19 waste, fraud, and abuse with respect to funding
20 made available for the Hard Hit Industries Award
21 Program;

22 (2) \$2,500,000 shall be for the Department of
23 Justice for investigative and prosecutorial activities
24 related to fraud and abuse, with respect to funding

1 made available for the Hard Hit Industries Award
2 Program; and

3 (3) \$2,500,000 shall be for shall be for the
4 Pandemic Response Accountability Committee with
5 respect to funding made available for the Hard Hit
6 Industries Award Program.

7 **SEC. 4. FUNDING FOR THE RESTAURANT REVITALIZATION**
8 **FUND AND THE HARD HIT INDUSTRIES**
9 **AWARD PROGRAM.**

10 (a) IN GENERAL.—Any unobligated covered funds
11 are hereby transferred to the Administrator of the Small
12 Business Administration for purposes of carrying out sec-
13 tion 5003 of the American Rescue Plan Act of 2021 (15
14 U.S.C. 9009c) and the Hard Hit Industries Award Pro-
15 gram established under section 3 of this Act.

16 (b) COVERED FUNDS DEFINED.—In this section, the
17 term “covered funds”—

18 (1) means any and all funds recovered, seized,
19 reclaimed, or otherwise returned to the Federal Gov-
20 ernment received pursuant to—

21 (A) paragraph (36) or (37) of section 7(a)
22 of the Small Business Act (15 U.S.C. 636(a));

23 (B) section 7(b)(2) of the Small Business
24 Act (15 U.S.C. 636(b)), with respect to a loan
25 made under such section in response to

1 COVID–19 during the covered period (as de-
2 fined in section 1110(a) of the CARES Act (15
3 U.S.C. 9009(a)));

4 (C) section 1110(e) of the CARES Act (15
5 U.S.C. 9009(e));

6 (D) section 331 of the Economic Aid to
7 Hard-Hit Small Businesses, Nonprofits, and
8 Venues Act (15 U.S.C. 9009b);

9 (E) section 324 of the Economic Aid to
10 Hard-Hit Small Businesses, Nonprofits, and
11 Venues Act (15 U.S.C. 9009a);

12 (F) section 5003 of the American Rescue
13 Plan Act of 2021 (15 U.S.C. 9009c);

14 (G) section 3 of this Act;

15 (2) includes any funds that as of December 31,
16 2022, are unexpended under section 5003 of the
17 American Rescue Plan Act of 2021 (15 U.S.C.
18 9009c); and

19 (3) does not include funds paid by person to the
20 Federal Government for the purposes of tax obliga-
21 tions, servicing of loans, or standard payment of
22 fees.

23 **SEC. 5. GRANTS FOR SHUTTERED VENUE OPERATORS.**

24 Section 324(d) of the Economic Aid to Hard-Hit
25 Small Businesses, Nonprofits, and Venues Act (15 U.S.C.

1 9009a(d)) is amended by striking paragraph (1) and in-
2 serting the following:

3 “(1) TIMING.—

4 “(A) EXPENSES INCURRED.—Amounts re-
5 ceived under a grant under this section may be
6 used for costs incurred during the period begin-
7 ning on March 1, 2020, and ending on March
8 11, 2023 (or a later date, as determined by the
9 Administrator).

10 “(B) EXPENDITURE.—An eligible person
11 or entity shall return to the Administrator any
12 amounts received under a grant under this sec-
13 tion that are not expended on or before April
14 15, 2023 (or a later date, as determined by the
15 Administrator), with respect to costs incurred
16 during the period described in subparagraph
17 (A).”.

Passed the House of Representatives April 7, 2022.

Attest: CHERYL L. JOHNSON,
Clerk.

Calendar No. 387

117TH CONGRESS
2D Session

H. R. 3807

AN ACT

To amend the American Rescue Plan Act of 2021 to increase appropriations to the Restaurant Revitalization Fund, and for other purposes.

MAY 25, 2022

Read the second time and placed on the calendar