

HOUSE BILL NO. 5647

April 23, 2024, Introduced by Reps. Aragona, Bierlein, Borton and DeBoyer and referred to the Committee on Government Operations.

A bill to create a grant program to reimburse eligible entities for revenue lost as a result of a shutdown order; to create certain funds; to provide for the distribution of money from certain funds; to provide for the powers and duties of certain state governmental officers and entities; to prohibit the submission of false information and prescribe penalties; to provide remedies; and to allow the promulgation of rules.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act may be cited as the "shutdown reimbursement

1 act".

2 Sec. 3. As used in this act:

3 (a) "COVID-19" means severe acute respiratory syndrome
4 coronavirus 2 (SARS-CoV-2).

5 (b) "Department" means the department of labor and economic
6 opportunity.

7 (c) "Eligible entity" means a food or drink establishment that
8 meets both of the following requirements:

9 (i) Was engaged in business on the last day of the calendar
10 year immediately preceding the beginning date of an emergency or
11 disaster in response to which a shutdown order was issued.

12 (ii) Meets either of the following requirements:

13 (A) Lost revenue because of the shutdown order.

14 (B) Permanently ceased business operations because of the
15 shutdown order.

16 (d) "Emergency or disaster" includes, but is not limited to,
17 an epidemic and a pandemic.

18 (e) "Executive order" means an order or directive issued by
19 the governor, a state agency, or a director or other official of a
20 state agency. Executive order includes, but is not limited to, an
21 order issued under either of the following:

22 (i) Section 2253 of the public health code, 1978 PA 368, MCL
23 333.2253.

24 (ii) The emergency management act, 1976 PA 390, MCL 30.401 to
25 30.421.

26 (f) "Food or drink establishment" means a restaurant, food
27 stand, food truck, food cart, caterer, saloon, inn, tavern, bar,
28 lounge, brewpub, tasting room, taproom, licensed facility or
29 premise of a beverage alcohol producer where the public may taste,

1 sample, or purchase products, or other similar place of business in
2 which the public or patrons assemble for the primary purpose of
3 being served food or drink.

4 (g) "Fund" means the shutdown reimbursement fund created in
5 section 13.

6 Sec. 5. As used in this act:

7 (a) "Preshutdown average revenue" means the average monthly
8 revenue for the eligible entity during the 2 calendar years
9 immediately preceding the beginning date of the emergency or
10 disaster in response to which the shutdown order was issued. If the
11 eligible entity was not engaged in business during the entire 2-
12 year period, preshutdown average revenue means the average monthly
13 revenue during the period the eligible entity was in business
14 during that time frame.

15 (b) "Program" means the shutdown reimbursement grant
16 program created under section 7.

17 (c) "Revenue lost" means, subject to subdivision (d),
18 the difference between the amount in subparagraph (i) and the
19 amount in subparagraph (ii):

20 (i) The eligible entity's preshutdown average revenue
21 multiplied by the number of months the eligible entity
22 remained shut down during the period of disaster or
23 emergency.

24 (ii) The eligible entity's total revenue for the months
25 the eligible entity remained shut down during the period of
26 disaster or emergency.

27 (d) Both of the following apply regarding the
28 calculation of revenue lost under subdivision (c):

29 (i) The amount of revenue lost must not include an

1 amount for which the eligible entity received reimbursement
2 or compensation through another federal or state relief
3 program.

4 (ii) An eligible entity described in section 3(c) (ii) (B)
5 is considered to have remained shut down during the period of
6 disaster or emergency during any month the eligible entity's
7 business would have been shut down if the eligible entity had
8 not permanently ceased business operations.

9 (e) "Shut down" means an eligible entity is subject to a
10 restriction described in subdivision (f) (i) to (iii) because of
11 a shutdown order.

12 (f) "Shutdown order" means an executive order that does any of
13 the following in response to an emergency or disaster:

14 (i) Prohibits an eligible entity from engaging in business
15 operations.

16 (ii) Closes an eligible entity to ingress, egress, use, or
17 occupancy by members of the public.

18 (iii) Limits the types of services that the eligible entity may
19 provide or the capacity of the eligible entity to provide services.

20 (g) "State agency" means a department, board, commission,
21 office, agency, authority, or other unit of state government in the
22 executive branch.

23 Sec. 7. (1) The department shall create and administer the
24 shutdown reimbursement grant program to reimburse eligible entities
25 for revenue lost because of a shutdown order.

26 (2) The department shall develop a detailed application,
27 approval, and compliance process for the program that is published
28 and available on the department's website.

29 (3) To receive a reimbursement grant under the program, an

1 applicant must provide the information required by the department
2 to substantiate that the applicant is an eligible entity and
3 calculate the amount of revenue lost, in the form and manner
4 prescribed by the department.

5 Sec. 9. (1) Except as otherwise provided in this section, the
6 department shall not award a grant under the program for a shutdown
7 order that was issued before the effective date of this act.

8 (2) The department shall award grants to eligible entities
9 that were shut down as a result of shutdown orders issued in
10 response to the COVID-19 pandemic for revenue lost between March
11 10, 2020 and July 1, 2021.

12 Sec. 11. The department may promulgate rules to implement this
13 act under the administrative procedures act of 1969, 1969 PA 306,
14 MCL 24.201 to 24.328.

15 Sec. 13. (1) The shutdown reimbursement fund is created in the
16 state treasury.

17 (2) The state treasurer shall deposit money and other assets
18 received under section 17 or from any other source in the fund. The
19 state treasurer shall direct the investment of money in the fund
20 and credit interest and earnings from the investments to the fund.

21 (3) Money in the fund at the close of the fiscal year remains
22 in the fund and does not lapse to the general fund.

23 (4) The department is the administrator of the fund for audits
24 of the fund.

25 (5) The department shall expend money from the fund on
26 appropriation, only for 1 or more of the following purposes:

- 27 (a) To administer this act.
28 (b) To provide grants under the program.
29 (c) To enforce violations of this act.

1 Sec. 15. (1) The legislature shall annually appropriate
2 sufficient funds to provide grant payments to all eligible entities
3 that submit complete and proper applications under the program.

4 (2) If the amount appropriated for the program in a fiscal
5 year is insufficient to fully fund all reimbursement payments, the
6 department shall reduce reimbursement payments under the program
7 for that fiscal year proportionally.

8 Sec. 17. (1) If a person receives a grant payment under the
9 program to which the person is not entitled, the person shall repay
10 the grant payment to the department.

11 (2) If a person receives a grant payment under the program to
12 which the person is not entitled and does not repay the department
13 as required under subsection (1), the attorney general may bring an
14 action to collect the required repayment.

15 (3) Repayments received under this section must be transmitted
16 to the state treasurer for deposit in the fund.

17 Sec. 19. A person that knowingly provides false information to
18 the department under the program is guilty of a misdemeanor
19 punishable by imprisonment for not more than 93 days, a fine of not
20 more than \$1,000.00, or both.