

# HOSPITALITY AND SERVICE INDUSTRY

## BUSINESS INTERRUPTION GRANT PROPOSAL

Request: CARES Act funding of \$50 million to pay for a business interruption grant program to be administered through a working agreement between the Department of Parks, Heritage and Tourism, the Department of Commerce, and the Department of Finance and Administration.

Grants would be made available to entities negatively impacted by state orders directly related to COVID-19 mitigation and through no fault of their own. Examples of mandated restrictions from state orders include, without limitation, closing dining rooms, restricting out-of-state travel, and limiting gatherings to 10 people or fewer. Specific program requirements and definitions will be determined through the legislative rules process. General provisions include:

- a. Applicant must be located in Arkansas.
- b. Applicant must still be in some form of operation to apply.
- c. Applicant must have 250 or fewer employees.
- d. Applicant must provide financial data for a specified period (e.g., March through August) for the past three years. Additional data related to business finances and operations may be required.
- e. Applicant will have to report all prior COVID-19 assistance received from state and federal grants.
- f. The total amount of grant funding available is set at \$50 million. Qualified applicants will receive a prorated share based on a formula that includes documented losses and all prior COVID-19 relief received.
- g. A claw back provision shall apply for grant monies paid through a fraudulent application or if the grant recipient is otherwise precluded by law from receiving grant money.

The Department of Parks, Heritage and Tourism will oversee and coordinate the grant program in partnership with the Department of Commerce and the Department of Finance and Administration. A consulting firm may be retained to assist with management of the grant, including, without limitation, accepting applications, analyzing data, and recommending a prorated formula for distribution of grant monies.