



NEW YORK STATE SENATOR

Patrick M. Gallivan

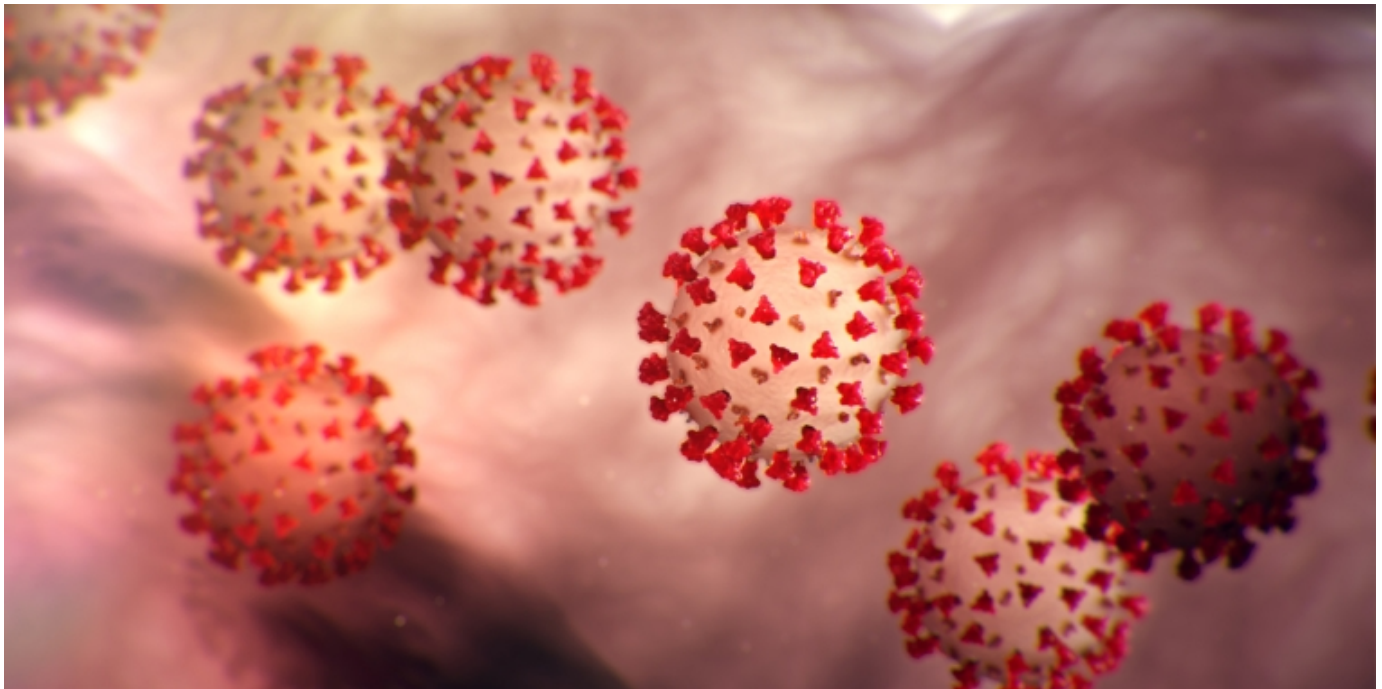
Senator Gallivan Co-Sponsors Bill to Help Businesses & Municipalities Impacted by COVID-19

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Senator Patrick M. Gallivan (R-C-I, Elma) is co-sponsoring legislation to provide much-needed relief to local businesses and municipalities impacted by the COVID-19 pandemic who have not received support from insurance companies or the federal government. The initiative comes as regions across the state work toward reopening and recovering from the unprecedented nationwide shutdown.

While businesses across the state have been forced to shut down due to the pandemic, because of policy exclusions, the lack of reserves, and with no premiums ever being collected for such an event, most, if not all insurance policies are unable to compensate businesses and municipalities for financial losses.

The “Coronavirus Business Interruption and Municipal Recovery Program Act” would utilize a public authority like the Empire State Development Corporation (ESDC) to provide grants to businesses to cover such losses, similar to the state's efforts in the aftermath of severe storms in 2011 and the 2017 flooding on Lake Ontario.

In previous natural disaster events, the state has used the power ESDC to issue bonds, notes and other assistance to create a financial recovery program for effected New Yorkers. The grant program would be funded through independent bonding, similar to the previous natural disasters. The legislation uses a similar Article 10 statute and places a cap on the payouts for the average amount of exposure.

"The impact this pandemic has had on businesses and communities is unprecedented," Senator Gallivan said. "We need to respond appropriately to help businesses survive and to help protect the jobs they provide. Likewise, we need to assist local municipalities recover so they can continue to provide vital community services. Empire State Development is best suited to oversee this effort."

Under the new bill, sponsored by Senator Fred Akshar, monthly grants would be provided to businesses, not-for-profit corporations and municipalities for "direct economic loss" suffered in any month during the period of January 1, 2020 to April 30, 2021. Loss would be established by comparing revenue or income earned during the same period of 2019. Applicants would qualify if they can show such losses were a direct result of the coronavirus, including hardships due to federal or state executive order and regulation.

Businesses and municipalities would be eligible if they have not qualified for or received payouts or assistance through insurance or other federal or state assistance.

ESDC would administer the program, establish application procedures and determine grant awards. To pay for the cost of the program, ESDC would be authorized to bond for the funding, similar to programs linked to previous natural disasters.