

The RESTAURANTS Act

The Problem:

- The majority of independent, locally owned restaurants were forced to close their doors and lay off their employees in mid-March because of the COVID-19 pandemic. Independent restaurants employ 11 million people nationally, but the impact of shuttered restaurants is felt beyond their direct employees. Annually, the food supply chain industry provides a \$1 trillion boost to the U.S. economy in addition to tens of millions of jobs. This industry, impacted both directly and indirectly by restaurant closures, affects constituents in every state. Across the nation, farmers, fishermen, truck drivers, and restaurant workers have felt the impacts of these closures.
- Restaurants have been impacted uniquely by COVID-19. Because social distancing measures and stay-at-home orders reduced demand drastically, restaurants are the top contributor to the current unemployment rate. In April alone, 5.5 million restaurant workers lost their jobs, accounting for 27 percent of total job losses in the month. Today, four in 10 restaurants remain closed and the open restaurants are grappling with decreased revenues because of reduced capacity and social distancing requirements.

The Solution – THE REAL ECONOMIC SUPPORT THAT ACKNOWLEDGES UNIQUE RESTAURANT ASSISTANCE NEEDED TO SURVIVE (RESTAURANTS) ACT OF 2020

This legislation would create a \$120 billion Restaurant Revitalization Fund to provide structured relief to food service or drinking establishments through December 31, 2020. Specifically, the RESTAURANTS Act includes the following provisions:

- The Fund would be administered by the Department of the Treasury and made available to restaurants, food stands, food trucks, food carts, caterers, saloons, inns, taverns, bars, lounges, or other similar places of business in which the public or patrons assemble for the primary purpose of being served food or drink that are part of a group of restaurants of 20 or less.
- Grant values would cover the difference between revenues from 2019 and projected revenues through 2020.
- If a food service or drinking establishment has already received a grant or loan under the Paycheck Protection Program (PPP) or Economic Injury Disaster Loan (EIDL) program, the maximum value of the Restaurant Revitalization Grant would be reduced by the amount of PPP or EIDL funds spent.
- Eligible expenses would include: payroll (not including employee compensation exceeding \$100,000/year), benefits, mortgage, rent, utilities, maintenance (including construction of outdoor seating), supplies (including protective equipment and cleaning materials), food, debt obligations to suppliers, and any other expenses deemed essential by the Secretary of the Treasury;
- The grant would be available to cover any eligible expenses incurred between February 15, 2020 and December 31, 2020.
- Includes a provision that the maximum grant value will not exceed \$10,000,000.
- If the food service establishment closes before December 31, 2020, the establishment would be required to return funds to Treasury for any costs not incurred/funds that did not cover allowable expenses.
- In the event of an accidental/inaccurate overpayment from Treasury based on end-of-year revenue calculations by the restaurant, the grant would be converted to a loan with a 10-year term at 1 percent interest.
- In the event of fraud, the penalties would be the same for any false statements for other federal grant and loan program.
- \$200 million would be appropriated for the purpose of staffing and administrative expenses for administering Restaurant Revitalization Grants. \$60 million shall be set aside specifically to be used on outreach to traditionally marginalized and underrepresented communities (with a focus on women, minority-owned, and veteran operated restaurants), including the creation of a resource center targeted toward these communities

Co-Sponsors:

Democrats: Coons, Sinema, Gillibrand, Booker, Brown, Casey, Cortez Masto, Duckworth, Durbin, Feinstein, Harris, Hirono, Jones, Kaine, King, Klobuchar, Markey, Manchin, Markey, Menendez, Merkley, Peters, Reed, Rosen, Schatz, Schumer, Shaheen, Stabenow, Tester, Van Hollen, Warner, Warren, Wyden

Republicans: Wicker, Graham, Cassidy, Cornyn, Gardner, Hyde-Smith, Kennedy, Murkowski, Tillis