



Breaking Down the RESTAURANTS Act in the House and Senate

On Thursday, June 18, 2020, Rep. Earl Blumenauer (D-OR 3) and Sen. Roger Wicker (R-MS) introduced the *Real Economic Support That Acknowledges Unique Restaurant Assistance Needed to Survive (RESTAURANTS) Act of 2020*.

Fundamentally, both the House (H.R. 7197) and Senate (S. 4012) bills **create a \$120 billion fund for grants to small restaurants.**

There are minor differences in the laws affecting who is eligible for a grant, how much the grant will total, and how the grants are to be administered. The below table provides side-by-side comparisons of key provisions in each bill:

Provision	Rep. Earl Blumenauer’s Bill (H.R. 7197)	Sen. Roger Wicker’s Bill (S. 4012)
Locations Eligibility	To be eligible, a group must have fewer than 20 locations under the same name.	To be eligible, a group must meet the bill’s affiliation rule¹ to state that they do not have more than 20 affiliated restaurants, regardless of name.
Grant Maximum	No Maximum	\$10 million maximum per grant
Determination of Grant Amount	Grant covers 100% of the difference between the revenue (or estimated revenue) for the year based on any calendar	Grant covers 95% of the difference between the revenue (or estimated revenue) for the year based on any calendar quarter in 2020 compared to the same calendar quarter in 2019.

¹ **The Affiliated Business Rule in the Senate bill:**

Section 2:(1) AFFILIATED BUSINESS.—The term “affiliated business” means a business in which an eligible entity has an equity or right to profit distributions of not less than 50 percent, or in which an eligible entity has the contractual authority to control the direction of the business, provided that such affiliation shall be determined as of any arrangements or agreements in existence as of March 13, 2020.



	quarter in 2020 compared to the same calendar quarter in 2019.	
Eligible Costs	<ul style="list-style-type: none"> ● Payroll (not including employee compensation exceeding \$100,000/year) ● Benefits ● Mortgage ● Rent ● Utilities ● Maintenance ● Supplies (including protective equipment and cleaning materials) ● Food ● Debt obligations to suppliers ● Any other expenses deemed essential by the Secretary of the Treasury 	<p>All eligible costs in H.R. 7197 AND some eligible costs for maintenance expenses, including “walls, floors, deck surfaces, furniture, fixtures, and equipment” to the costs for construction to accommodate outdoor seating.</p> <p><u>Adds the following line:</u> “as required by local health departments” to “supplies including protective equipment and cleaning materials” eligible.</p> <p><u>Also adds:</u> “that are within the scope of the normal business practice of the eligible entity before the covered period.” to the eligible food and beverage costs.</p>
Appropriations	The Treasury receives \$300 million to run the program.	The Treasury receives \$200 million to run the program.
Priority Applicants	Women and minority-owned businesses receive priority consideration for grants during the first 14 days.	Women, minority, and veteran-owned businesses receive priority consideration for grants during the first 14 days.
Combination with PPP and EIDL Loans	Although worded slightly differently in each bill, both versions intend that you cannot get a RESTAURANTS Act grant and a forgiven EIDL Loan or PPP forgiveness for the same expenses.	



Co-Sponsor the RESTAURANTS Act of 2020 (S. 4012/H.R. 7197)

On June 18, Senators Roger Wicker (R-MS) and Kyrsten Sinema (D-AZ) and Representatives Earl Blumenauer (D-OR 3) and Brian Fitzpatrick (R-PA 1) introduced the RESTAURANTS Act. This bipartisan, bicameral proposal would support hard-hit independent restaurants through a new \$120 billion Revitalization Fund. This lifeline would help independent restaurants deal with the long-term structural challenges facing the industry because of COVID-19 and secure the employment of 11 million workers across 500,000 small businesses, as well as the 5 million more jobs up and down their supply chains.

How Independent Restaurants are uniquely affected:

- Social distancing measures mandate reduced seating and, therefore, reduced revenue for restaurants.
- Restaurants were among the first businesses to close their doors at the outset of the pandemic and will be among the last to fully reopen.
- Reopening is completely subject to regional unpredictability, creating immense uncertainty for restaurants and their suppliers as they plan for the months ahead.
- Unlike other businesses, the shared spaces and close contact of restaurants and other food and beverage service businesses will make the public hesitate to dine out during a health crisis.

Passing the RESTAURANTS Act would:

- **Protect the 11 million Americans directly employed by independent restaurants, as well as the 5 million workers in their supply chains** whose industries depend on the survival of small restaurants.
- **Generate up to \$271 billion to the economy, more than double the amount of the proposed grants.**
- **Ensure the 85% of independent restaurants at risk of closing can stay open.**



- **Reduce national unemployment rate by an estimated 2.4 percentage points**, a result of saving the industry that has been hit hardest by job losses from the outset of this pandemic.
- **Support vital tourism industries in states across the country.** Independent restaurants anchor development, neighborhoods, and communities and drive travel and tourism in every Congressional district and state.
 - **Travelers spent \$279 billion on food services**, more than double the amount spent on either recreation or retail
 - **Independent restaurants support local farms and ranches in all 50 States.** The farm-to-table and other direct-to-consumer markets have generated over \$12 billion in income for small producers.
- **Continue to generate significant amounts of tax revenue for states.** States will save up to \$30.7 billion in unemployment benefits alone.

Summary of the Bill

- Creates a \$120 billion revitalization fund in the Department of the Treasury to fund grants to small and independent restaurants.
- Grants are based on the projected revenue difference between 2019 and 2020 and must be used for the costs of running a restaurant – wages, supplies, rent, mortgage, benefits, and any construction costs associated with the pandemic.
- Any restaurant that is at or above 2019 revenue levels is not eligible.
- Prevents double dipping with other short-term government aid for coronavirus stabilization and converts any unused funds into low-interest, long-term loans.

Congress is laser-focused on reviving the American economy not only quickly, but equitably and efficiently. By lifting up independent bars and restaurants, we will bring back jobs and opportunity for Americans of all stripes — and across the country.