



May 20, 2020

The Honorable Edward Buchanan
Secretary of State
Herschler Building
East 122 W. 25th Street, Suite 100
Cheyenne, Wyoming 82002

Re: Line Item Veto HEA0001/HB1004 COVID-19 business relief programs

Dear Secretary Buchanan,

House Enrolled Act 1 / House Bill 1004 "COVID-19 business relief programs" is a much needed piece of legislation. The bill creates three programs to provide relief to Wyoming businesses in connection with losses suffered as a result of the COVID-19 global crisis - the Wyoming business interruption stipend program, the coronavirus business relief stipend program and the coronavirus mitigation stipend program. I appreciate the Legislature's hard work to get CARES Act funds to our businesses to help them recover from the effects of COVID-19 on our economy.

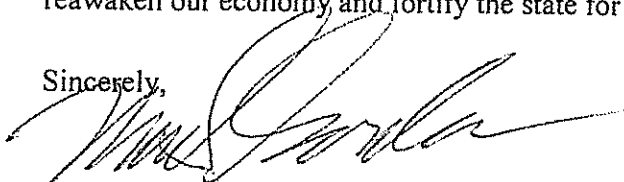
I have exercised my line-item veto authority with regards to two elements of this legislation. My intent is to clarify these programs and better align them with U.S. Treasury guidance. As we deploy CARES Act funds through these programs, we must be mindful to buttress our State's use of these funds from any administrative criticisms in the future.

First, this bill appropriates the entire \$325,000,000 for these programs from the first tranche of CARES Act funds allocated for my use prior to July 15, 2020 in the amount of \$450,000,000 pursuant to Section 2(c) in Senate File 1001. This might constrain the use of the remaining \$125,000,000 when there are other urgent CARES Act programs that were defined by the Legislature during this special session, which might have a greater need prior to July 15. This line-item veto enhances Wyoming's flexibility to distribute these funds in a thoughtful, expeditious, and in the most responsive manner as we begin to better understand where the most urgent needs lie. Accordingly, I have removed the reference to subpart (i) of Section 2(c) of Senate File 1001 in the appropriation for each program under this bill, thus drawing the \$325,000,000 from across all three tranches of funds provided for in Section 2(c). This is flexibility that will be useful as the year proceeds and our responses evolve. Emphatically, these changes are not intended to restrict, reduce, or put out of reach any of our ability to respond quickly to immediate challenges before us today.

Secondarily, there are two competing ideas inherent in Section 2 of the Act wherein "the Wyoming business interruption stipend program" is created. The CARES Act and the accompanying U.S. Treasury guidance are clear that CARES Act funds must be used for COVID related expenses. Section 2(b)(ii) requires an applicant to certify "the eligible business has incurred actual losses as a result of business interruptions due to a required closure". Section 2(b)(iii) sets a minimum award of twenty thousand dollars (\$20,000.00) up to a maximum of fifty thousand dollars (\$50,000.00). The concern involves how a business can account for CARES Act funds received in excess of past losses in the event those losses fall below the \$20,000.00 minimum award; e.g., how a micro business whose losses might be much less than the floor pondered in the Act would account for the surplus reimbursement. While a possible intent of this section of the bill is simply to get money out to businesses post haste with a minimum of complication, it also seems proper that there be some correspondence between the size of the loss and the amount of the reimbursement if not to pass a smell test then to meet the criteria of the CARES Act. I do not believe these concerns are fatal, however. The line-item vetoes I have implemented, fairly preserve the eligibility of any applicant, while making it clear that applicants must be able to point to attested losses consistent with the language of the Act. Applicants can be comforted that their efforts may well be rewarded if audited. I have confidence in the Business Council to develop emergency rules to meet the objectives of this act that will not be overly cumbersome and will respect the intent of this program to get relief to small businesses expeditiously, and effectively. My line-item veto leaves intact the provision that no grant under this program shall exceed \$50,000.

I thank the Legislature again for its efforts, and in particular the Joint Minerals, Business and Economic Development Committee. You wrestled with complicated programs in challenging times under trying circumstances and demonstrated what we in Wyoming do so well -- work together to find solutions. We all agree that the support of Wyoming's small businesses is a priority as we reawaken our economy and fortify the state for the year ahead.

Sincerely,



Mark Gordon
Governor

cc: Drew Perkins, President of the Senate
Steve Harshman, Speaker of the House
Matt Obrecht, Director of LSO