To require the Administrator of the Small Business Administration to establish a grant program for certain fitness facilities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. QUIGLEY introduced the following bill; which was referred to the Committee on __________________

A BILL

To require the Administrator of the Small Business Administration to establish a grant program for certain fitness facilities, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Gym Mitigation and Survival Act of 2021” or the “GYMS Act of 2021”.

SEC. 2. GRANTS FOR FITNESS FACILITIES.

(a) DEFINITIONS.—In this section:
(1) **ADMINISTRATOR.**—The term “Administrator” means the Administrator of the Small Business Administration.

(2) **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, and 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.

(3) **ELIGIBLE ENTITY.**—The term “eligible entity” means a fitness facility—

(A) which provides instruction in a program of physical exercise or offers space for the preservation, maintenance, encouragement, or development of physical fitness;

(B) which does not offer golf, hunting, sailing, or riding facilities;

(C) where the health or fitness component of which is not incidental to its overall function and purpose; and

(D) which is not part of a State or local government facility.

(b) **AUTHORITY.**—
(1) INITIAL GRANTS.—The Administrator may make initial grants to eligible entities in accordance with this section.

(2) SUPPLEMENTAL GRANTS.—The Administrator may make a supplemental grant in accordance with this section to an eligible entity that receives a grant under paragraph (1) if, as of December 31, 2020, the revenues of the eligible entity for the most recent calendar quarter are not more than 33 percent of the revenues of the eligible entity for the corresponding calendar quarter during 2019 due to the COVID–19 pandemic.

(3) PRIORITY.—During the initial 14-day period in which the Administrator awards initial grants under this subsection, the Administrator shall prioritize awarding grants to eligible entities serving marginalized and underrepresented communities, with a focus on women, veteran, and minority-owned and operated eligible entities serving such communities.

(c) AMOUNT.—

(1) INITIAL GRANTS.—A grant under subsection (b)(1) shall be in the amount equal to the lesser of—
(A) the amount equal to 45 percent of the
gross revenue of the eligible entity during 2019;

(B) for an eligible entity that began oper-
ations after January 1, 2019, the amount equal
to the product obtained by multiplying—

(i) the average monthly gross revenue
for each full month during which the entity
was in operation during 2019; by

(ii) 6; or

(C) $20,000,000.

(2) Supplemental Grants.—A grant under
subsection (b)(2) shall be in the amount equal to 25
percent of the grant received by the eligible entity
under subsection (b)(1).

(3) Aggregate Maximum Amount.—The ag-
ggregate amount of grants made to an eligible entity
and any affiliated businesses of the eligible entity
under this section shall not exceed $25,000,000.

(d) Use of Funds.—

(1) Certification.—An eligible entity applying
for a grant under this section shall make a good
faith certification—

(A) that the uncertainty of current eco-
nomic conditions makes necessary the grant re-
quest to support the ongoing operations of the eligible entity; and

(B) acknowledging that funds will be used to retain workers or for other allowable expenses described in paragraph (4).

(2) TIMING.—

(A) EXPENSES INCURRED.—

(i) IN GENERAL.—Except as provided in clause (ii), amounts received under a grant under this section may be used for costs incurred during the period beginning on March 1, 2020, and ending on December 31, 2021.

(ii) EXTENSION FOR SUPPLEMENTAL GRANTS.—If an eligible entity receives a grant under subsection (b)(2), amounts received under either grant under this section may be used for costs incurred during the period beginning on March 1, 2020, and ending on June 30, 2022.

(B) EXPENDITURE.—

(i) IN GENERAL.—Except as provided in clause (ii), an eligible entity shall return to the Administrator any amounts received under a grant under this section that are...
not expended on or before the date that is
1 year after the date of disbursement of
the grant.

(ii) Extension for supplemental
grants.—If an eligible entity receives a
grant under subsection (b)(2), the eligible
entity shall return to the Administrator
any amounts received under either grant
under this section that are not expended
on or before the date that is 18 months
after the date of disbursement to the eligi-
ble entity of the grant under subsection
(b)(1).

(3) Allowable expenses.—

(A) Definitions.—In this paragraph—

(i) the terms “covered mortgage obli-
gation”, “covered rent obligation”, “cov-
ered utility payment”, and “covered worker
protection expenditure” have the meanings
given those terms in section 7A(a) of the
Small Business Act, as redesignated,
transferred, and amended by this Act; and

(ii) the term “payroll costs” has the
meaning given that term in section

(B) EXPENSES.—An eligible entity may use amounts received under a grant under this section for—

(i) payroll costs;

(ii) payments on any covered rent obligation and common area maintenance charges under a lease agreement;

(iii) any covered utility payment;

(iv) scheduled payments of interest or principal on any covered mortgage obligation (which shall not include any prepayment of principal on a covered mortgage obligation);

(v) scheduled interest payments on other scheduled debt as of February 15, 2020;

(vi) covered worker protection expenditures;

(vii) payments of principal on outstanding loans;

(viii) payments made to independent contractors, as reported on Form–1099 MISC; and
(ix) other ordinary and necessary
business expenses, including—

(I) settling existing debts owed to
vendors;

(II) maintenance expenses;

(III) administrative costs;

(IV) taxes;

(V) operating leases;

(VI) advertising, fitness equip-
ment, subscription, and software ex-
penses that are within the scope of
the normal business practice of the el-
igible entity;

(VII) payments required for in-
surance on any insurance policy;

(VIII) capital expenditures or ex-
penses required under any State,
local, or Federal law or guideline re-
lated to social distancing; and

(IX) any other expenses that the
Administrator determines to be essen-
tial to maintaining the eligible entity.

(4) PROHIBITED EXPENSES.—An eligible entity
may not use amounts received under a grant under
this section—
(A) to purchase real estate;
(B) for payments of interest or principal on loans originated after February 15, 2020;
(C) to invest or re-lend funds;
(D) for contributions or expenditures to, or on behalf of, any political party, party committee, or candidate for elective office; or
(E) for any other use as may be prohibited by the Administrator.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $30,000,000,000 to carry out this section.