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E-Alert: Nebraska Small Business Stabilization Grants

As part of Governor Pete Ricketts's plan to stimulate the Nebraska economy, Nebraska's Small Business Stabilization Grant ("SBS Grant") program allocates \$330 million of federal Coronavirus Aid, Relief and Economic Security ("CARES") Act funding to small businesses struggling due to COVID-19. Unlike PPP Loans and EIDL Grants, which were administered through the Small Business Administration, Nebraska's Department of Economic Development will oversee applications for and distribution of SBS Grants. In an effort to promote transparency regarding the use of CARES Act funds for SBS Grants, the State of Nebraska will publicly report the names of businesses that receive SBS Grants.

Eligibility

Nebraska-owned businesses that had from 5-49 employees as of March 13, 2020 are eligible to apply for SBS Grants. Certain livestock producers with 1-10 employees may also qualify. The business must be able to demonstrate that it either closed, experienced a loss of revenue, or was unable to sustain employment since March 13, 2020. However, the following industries are categorically ineligible to seek a SBS Grant even if the business would otherwise qualify:

1. Mining companies that fall within the North American Industry Classification System ("NAICS") 21
2. Utilities - NAICS 22
3. Finance and Insurance - NAICS 52
4. Management of Companies and Enterprises - NAICS 55
5. Educational Services - NAICS 61
6. Public Administration - NAICS 92
7. Lobbyist Organizations or Political Organizations

Use of Grant Proceeds

Nebraska's Department of Economic Development anticipates providing SBS Grants of a minimum of \$12,000.00 to each eligible applicant. Businesses may utilize SBS Grants to pay for operational expenses or as working capital in an effort to sustain the business or aid the business in bouncing back from the economic downturn.

Application Process

The application process involves two steps. First, beginning June 15, 2020 at 8:00 A.M., businesses seeking a SBS Grant may submit an Eligibility Certification Form,

demonstrating the business is a Nebraska taxpayer that has Nebraska employees. The deadline for submission of the eligibility forms is 5:00 P.M. on June 26, 2020.

Then, the Nebraska Department of Economic Development will notify businesses of their eligibility to submit an Application for an SBS Grant (the “Application”) on a rolling basis between June 15, 2020 and June 26, 2020. Once a business receives notification of its eligibility and its invitation to submit the Application, the business must do so before 5:00 P.M. on June 26, 2020. Because the final deadline for submission of the Eligibility Certification Form and the Application are the same, it is advisable for businesses seriously seeking a SBS Grant to submit the Eligibility Certification Form as soon as possible. The Department of Economic Development will award these grants on a first come first served basis.

More details are available on the Nebraska Department of Economic Development website: <https://getnebraskagrowing.nebraska.gov/nebraska-small-business-stabilization-grant/>

Businesses can find the Eligibility Certification Form here: <https://ded-stabilizationgrants.ne.gov/dedGrants/preApplication.xhtml>

We will continue to provide updates on these issues as they evolve. In the meantime, if you have any questions related to the coronavirus stimulus legislation or the impact of COVID-19, please [CLICK HERE](#) to access our several relevant practice areas and contact information on individual lawyers.

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