

117TH CONGRESS  
1ST SESSION

# H. R. 890

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

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 2021

Mr. QUIGLEY (for himself, Mr. FITZPATRICK, Ms. NORTON, Mr. BRENDAN F. BOYLE of Pennsylvania, Mr. PHILLIPS, and Mr. LAWSON of Florida) introduced the following bill; which was referred to the Committee on Small Business

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## A BILL

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

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

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

6       **SEC. 2. GRANTS FOR FITNESS FACILITIES.**

7       (a) DEFINITIONS.—In this section:

1           (1) ADMINISTRATOR.—The term “Adminis-  
2           trator” means the Administrator of the Small Busi-  
3           ness Administration.

4           (2) AFFILIATED BUSINESS.—The term “affili-  
5           ated business” means a business in which an eligible  
6           entity has an equity or right to profit distributions  
7           of not less than 50 percent, and in which an eligible  
8           entity has the contractual authority to control the  
9           direction of the business, provided that such affili-  
10          ation shall be determined as of any arrangements or  
11          agreements in existence as of March 13, 2020.

12          (3) ELIGIBLE ENTITY.—The term “eligible enti-  
13          ty” means a fitness facility—

14                (A) which provides instruction in a pro-  
15                gram of physical exercise or offers space for the  
16                preservation, maintenance, encouragement, or  
17                development of physical fitness;

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

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

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

25          (b) AUTHORITY.—

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

4           (2) SUPPLEMENTAL GRANTS.—The Adminis-  
5           trator may make a supplemental grant in accordance  
6           with this section to an eligible entity that receives a  
7           grant under paragraph (1) if, as of December 31,  
8           2020, the revenues of the eligible entity for the most  
9           recent calendar quarter are not more than 33 per-  
10          cent of the revenues of the eligible entity for the cor-  
11          responding calendar quarter during 2019 due to the  
12          COVID–19 pandemic.

13          (3) PRIORITY.—During the initial 14-day pe-  
14          riod in which the Administrator awards initial  
15          grants under this subsection, the Administrator shall  
16          prioritize awarding grants to eligible entities serving  
17          marginalized and underrepresented communities,  
18          with a focus on women, veteran, and minority-owned  
19          and operated eligible entities serving such commu-  
20          nities.

21          (c) AMOUNT.—

22                (1) INITIAL GRANTS.—A grant under sub-  
23                section (b)(1) shall be in the amount equal to the  
24                lesser of—

1 (A) the amount equal to 45 percent of the  
2 gross revenue of the eligible entity during 2019;

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

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

9 (ii) 6; or

10 (C) \$20,000,000.

11 (2) SUPPLEMENTAL GRANTS.—A grant under  
12 subsection (b)(2) shall be in the amount equal to 25  
13 percent of the grant received by the eligible entity  
14 under subsection (b)(1).

15 (3) AGGREGATE MAXIMUM AMOUNT.—The ag-  
16 gregate amount of grants made to an eligible entity  
17 and any affiliated businesses of the eligible entity  
18 under this section shall not exceed \$25,000,000.

19 (d) USE OF FUNDS.—

20 (1) CERTIFICATION.—An eligible entity apply-  
21 ing for a grant under this section shall make a good  
22 faith certification—

23 (A) that the uncertainty of current eco-  
24 nomic conditions makes necessary the grant re-

1 quest to support the ongoing operations of the  
2 eligible entity; and

3 (B) acknowledging that funds will be used  
4 to retain workers or for other allowable ex-  
5 penses described in paragraph (4).

6 (2) TIMING.—

7 (A) EXPENSES INCURRED.—

8 (i) IN GENERAL.—Except as provided  
9 in clause (ii), amounts received under a  
10 grant under this section may be used for  
11 costs incurred during the period beginning  
12 on March 1, 2020, and ending on Decem-  
13 ber 31, 2021.

14 (ii) EXTENSION FOR SUPPLEMENTAL  
15 GRANTS.—If an eligible entity receives a  
16 grant under subsection (b)(2), amounts re-  
17 ceived under either grant under this sec-  
18 tion may be used for costs incurred during  
19 the period beginning on March 1, 2020,  
20 and ending on June 30, 2022.

21 (B) EXPENDITURE.—

22 (i) IN GENERAL.—Except as provided  
23 in clause (ii), an eligible entity shall return  
24 to the Administrator any amounts received  
25 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 eligible entity of the grant under subsection (b)(1).

(3) ALLOWABLE EXPENSES.—

(A) DEFINITIONS.—In this paragraph—

(i) the terms “covered mortgage obligation”, “covered rent obligation”, “covered 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

1                   7(a)(36)(A) of the Small Business Act (15  
2                   U.S.C. 636(a)(36)(A)).

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

6                   (i) payroll costs;

7                   (ii) payments on any covered rent ob-  
8                   ligation and common area maintenance  
9                   charges under a lease agreement;

10                  (iii) any covered utility payment;

11                  (iv) scheduled payments of interest or  
12                  principal on any covered mortgage obliga-  
13                  tion (which shall not include any prepay-  
14                  ment of principal on a covered mortgage  
15                  obligation);

16                  (v) scheduled interest payments on  
17                  other scheduled debt as of February 15,  
18                  2020;

19                  (vi) covered worker protection expend-  
20                  itures;

21                  (vii) payments of principal on out-  
22                  standing loans;

23                  (viii) payments made to independent  
24                  contractors, as reported on Form-1099  
25                  MISC; and

1 (ix) other ordinary and necessary  
2 business expenses, including—

3 (I) settling existing debts owed to  
4 vendors;

5 (II) maintenance expenses;

6 (III) administrative costs;

7 (IV) taxes;

8 (V) operating leases;

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

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

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

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

23 (4) PROHIBITED EXPENSES.—An eligible entity  
24 may not use amounts received under a grant under  
25 this section—



1 (A) to purchase real estate;

2 (B) for payments of interest or principal  
3 on loans originated after February 15, 2020;

4 (C) to invest or re-lend funds;

5 (D) for contributions or expenditures to, or  
6 on behalf of, any political party, party com-  
7 mittee, or candidate for elective office; or

8 (E) for any other use as may be prohibited  
9 by the Administrator.

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

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