

117TH CONGRESS  
1ST SESSION

# H. R. 4150

To establish a grant program for shuttered minor league baseball clubs,  
and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 24, 2021

Ms. MATSUI (for herself, Mr. MCKINLEY, Ms. WILD, Mr. WELCH, Mr. MCGOVERN, and Ms. SLOTKIN) introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To establish a grant program for shuttered minor league  
baseball clubs, 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 “Minor League Baseball  
5       Relief Act”.

6       **SEC. 2. DEFINITIONS.**

7       In this Act:

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

4           (2) COVERED GRANTS.—The term “covered  
5           grant” means a grant made under this Act to an eli-  
6           gible entity.

7           (3) COVERED LAW.—The term “covered law”  
8           means—

9                   (A) the Coronavirus Preparedness and Re-  
10                  sponse Supplemental Appropriations Act, 2020  
11                  (Public Law 116–123; 134 Stat. 146);

12                  (B) the Families First Coronavirus Re-  
13                  sponse Act (Public Law 116–127; 134 Stat.  
14                  177);

15                  (C) the CARES Act (Public Law 116–136;  
16                  134 Stat. 281);

17                  (D) the Paycheck Protection Program and  
18                  Health Care Enhancement Act (Public Law  
19                  116–139; 134 Stat. 620);

20                  (E) the Consolidated Appropriations Act,  
21                  2021 (Public Law 116–260); or

22                  (F) the American Rescue Plan Act of 2021  
23                  (Public Law 117–2).

24           (4) COVERED MORTGAGE OBLIGATION; COV-  
25           ERED RENT OBLIGATION; COVERED UTILITY PAY-

1       MENT; COVERED WORKER PROTECTION EXPENDI-  
2       TURE.—The terms “covered mortgage obligation”,  
3       “covered rent obligation”, “covered utility payment”,  
4       and “covered worker protection expenditure” have  
5       the meanings given those terms in section 7A(a) of  
6       the Small Business Act (15 U.S.C. 636m(a)).

7       (5) ELIGIBLE ENTITY.—The term “eligible enti-  
8       ty” means any Minor League Baseball Club or Inde-  
9       pendent Professional Baseball Club that meets the  
10      following requirements:

11           (A) The Minor League Baseball Club or  
12           Independent Professional Baseball Club was op-  
13           erating in the ordinary course of business on  
14           February 29, 2020.

15           (B) The gross revenues of the Minor  
16           League Baseball Club or Independent Profes-  
17           sional Baseball Club in calendar year 2020  
18           were not more than 25 percent of the gross rev-  
19           enues of the Minor League Baseball Club or  
20           Independent Professional Baseball Club in cal-  
21           endar year 2019, or, if the gross revenues of  
22           the Minor League Baseball Club or Inde-  
23           pendent Professional Baseball Club were nega-  
24           tively impacted by a natural disaster or weather  
25           disruption in 2019, not more than 25 percent

1 of the average annual gross revenues of the  
2 Minor League Baseball Club or Independent  
3 Professional Baseball Club over the 3-year pe-  
4 riod from 2017 through 2019, as determined by  
5 the Administrator using the accrual method of  
6 accounting and excluding any amounts received  
7 any amounts received under the CARES Act  
8 (15 U.S.C. 9001 et seq.), an amendment to  
9 such Act, the Consolidated Appropriations Act,  
10 2021 (Public Law 116–260), or any subsequent  
11 COVID Relief package.

12 (C) At the time the Minor League Baseball  
13 Club or Independent Professional Baseball Club  
14 submits the certification required under section  
15 3(c), the Minor League Baseball Club or Inde-  
16 pendent Professional Baseball Club is open, or  
17 intends to reopen, for the primary purpose of  
18 conducting baseball games.

19 (D) The Minor League Baseball Club or  
20 Independent Professional Baseball Club is not  
21 majority owned, directly or indirectly, by Major  
22 League Baseball, a Major League Baseball  
23 Club, or one or more persons who have a great-  
24 er than 10-percent ownership interest in a  
25 Major League Baseball Club.

1           (6) INDEPENDENT PROFESSIONAL BASEBALL  
2 CLUB.—The term “Independent Professional Base-  
3 ball Club” means a professional baseball team, in-  
4 cluding a professional baseball team that is a cor-  
5 poration, limited liability company, or a partnership  
6 or operated as a sole proprietorship, that—

7                   (A) operates for profit or as a nonprofit  
8 organization;

9                   (B) is located in the United States; and

10                  (C) as of February 29, 2020, was a mem-  
11 ber of—

12                   (i) the American Association of Pro-  
13 fessional Baseball;

14                   (ii) the Atlantic League of Profes-  
15 sional Baseball;

16                   (iii) the Canadian American Associa-  
17 tion of Professional Baseball;

18                   (iv) the Empire Professional Baseball  
19 League;

20                   (v) the Frontier League;

21                   (vi) the Pacific Association of Profes-  
22 sional Baseball Clubs;

23                   (vii) the Pecos League of Professional  
24 Baseball Clubs;

1 (viii) the United Shore Professional  
2 Baseball League; or

3 (ix) the Western League.

4 (7) MINOR LEAGUE BASEBALL CLUB.—The  
5 term “Minor League Baseball Club” means a profes-  
6 sional baseball team, including a professional base-  
7 ball team that is a corporation, limited liability com-  
8 pany, or a partnership or operated as a sole propri-  
9 etorship, that—

10 (A) operates for profit or as a nonprofit  
11 organization;

12 (B) is located in the United States; and

13 (C)(i) as of February 29, 2020, was a  
14 member of a league that was a member of the  
15 National Association of Professional Baseball  
16 Leagues, Inc.; or

17 (ii) has been offered and is operating or  
18 has agreed to operate under—

19 (I) a Player Development License  
20 granted by MLB Professional Development  
21 Leagues, LLC; or

22 (II) a license granted by Appalachian  
23 League, Inc.

24 (8) PAYROLL COSTS.—The term “payroll costs”  
25 has the meaning given the term in section

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

3        **SEC. 3. GRANTS FOR CERTAIN MINOR LEAGUE BASEBALL**  
4                    **CLUBS.**

5        (a) IN GENERAL.—The Administrator shall, subject  
6 to the availability of appropriations, make covered grants  
7 to eligible entities in accordance with this section.

8        (b) AUTHORITY.—The Associate Administrator for  
9 the Office of Disaster Assistance of the Small Business  
10 Administration shall coordinate and formulate policies re-  
11 lating to the administration of covered grants.

12        (c) CERTIFICATION OF NEED.—An eligible entity ap-  
13 plying for a covered grant shall submit a good faith certifi-  
14 cation that the uncertainty of current economic conditions  
15 makes necessary the grant to support the ongoing oper-  
16 ations of the eligible entity.

17        (d) MULTIPLE BUSINESS ENTITIES.—The Adminis-  
18 trator shall treat each eligible entity as an independent,  
19 non-affiliated entity for the purposes of this section.

20        (e) GRANT TERMS.—

21                (1) NUMBER OF GRANTS.—

22                    (A) IN GENERAL.—Except as provided in  
23                    subparagraph (B), an eligible entity may receive  
24                    only 1 covered grant.

1 (B) SUPPLEMENTAL GRANT.—The Admin-  
2 istrator may make a second covered grant to an  
3 eligible entity if, as of June 30, 2021, the gross  
4 revenues of such eligible entity for calendar  
5 year 2021 as of such date are not more than  
6 30 percent of the gross revenues of such eligible  
7 entity for the corresponding period of 2019, or,  
8 if the gross revenues of the eligible entity were  
9 negatively impacted by a natural disaster or  
10 weather disruption in 2019, not more than 30  
11 percent of the average gross revenues of the eli-  
12 gible entity during the first 6 months of 2017,  
13 2018, and 2019, due to the COVID–19 pan-  
14 demic.

15 (2) AMOUNT.—

16 (A) IN GENERAL.—Except as provided in  
17 subparagraph (B), a covered grant shall be in  
18 an amount equal to the lesser of—

19 (i) the amount equal to 45 percent of  
20 the gross revenues of the eligible entity for  
21 2019, or, if the gross revenues of the eligi-  
22 ble entity were negatively impacted by a  
23 natural disaster or weather disruption in  
24 2019, equal to 45 percent of the average  
25 annual gross revenues of the eligible entity



1 over the 3-year period from 2016 through  
2 2018, which shall include the gross reve-  
3 nues of all subsidiaries and other related  
4 entities that are consolidated with the  
5 gross revenues of the eligible entity in a fi-  
6 nancial statement prepared in accordance  
7 with generally accepted accounting prin-  
8 ciples for such eligible entity for such year;  
9 or

10 (ii) \$10,000,000.

11 (B) SUPPLEMENT GRANT AMOUNT.—A  
12 covered grant made pursuant to paragraph  
13 (1)(B) shall be in an amount equal to 50 per-  
14 cent of the first covered grant received by the  
15 eligible entity.

16 (3) GRANT AGGREGATE MAXIMUM.—The total  
17 amount of covered grants received by an eligible en-  
18 tity may not exceed \$10,000,000.

19 (4) USE OF FUNDS.—

20 (A) TIMING.—

21 (i) EXPENSES INCURRED.—

22 (I) IN GENERAL.—Except as pro-  
23 vided in subclause (II), amounts re-  
24 ceived under a covered grant may only  
25 be used for expenses incurred during

1 the period beginning on March 1,  
2 2020, and ending on December 31,  
3 2021.

4 (II) EXTENSION FOR SUPPLE-  
5 MENTAL GRANTS.—If an eligible enti-  
6 ty receives a grant under paragraph  
7 (1)(B), amounts received under a cov-  
8 ered grant may be used for costs in-  
9 curred during the period beginning on  
10 March 1, 2020, and ending September  
11 30, 2022.

12 (ii) EXPENDITURE.—

13 (I) IN GENERAL.—Except as pro-  
14 vided in subclause (II), an eligible en-  
15 tity shall return to the Administrator  
16 any amounts received under a covered  
17 grant that are not expended on or be-  
18 fore the date that is 1 year after the  
19 date of disbursement of the covered  
20 grant.

21 (II) EXTENSION FOR SUPPLE-  
22 MENTAL GRANTS.—If an eligible enti-  
23 ty receives a grant under paragraph  
24 (1)(B), the eligible entity shall return  
25 to the Administrator any amounts re-

1           ceived under any covered grant that  
2           are not expended on or before the  
3           date that is 18 months after the date  
4           of disbursement of the first covered  
5           grant received by the eligible entity.

6           (B) ALLOWABLE EXPENSES.—An eligible  
7           entity may use amounts received under a cov-  
8           ered grant for—

9                   (i) payroll costs;

10                   (ii) payments on any covered rent ob-  
11                   ligation or other obligation to a public enti-  
12                   ty from whom the primary venue of the eli-  
13                   gible entity is leased or licensed;

14                   (iii) any covered utility payment;

15                   (iv) payments of interest or principal  
16                   due on any covered mortgage obligation;

17                   (v) payments of interest or principal  
18                   due on any indebtedness or debt instru-  
19                   ment incurred in the ordinary course of  
20                   business that is a liability of the eligible  
21                   entity and was in place or incurred prior to  
22                   February 15, 2020;

23                   (vi) covered worker protection expend-  
24                   itures;

1 (vii) payments made to independent  
2 contractors, as reported on Form 1099-  
3 MISC, not to exceed a total of \$100,000 in  
4 annual compensation for any individual  
5 employee of an independent contractor;  
6 and

7 (viii) other ordinary and necessary  
8 business expenses, including—

9 (I) maintenance expenses;

10 (II) administrative costs, includ-  
11 ing fees and licensing costs;

12 (III) State and local taxes and  
13 fees;

14 (IV) operating leases in effect as  
15 of February 15, 2020;

16 (V) payments required for insur-  
17 ance on any insurance policy;

18 (VI) settling existing debts with  
19 vendors; and

20 (VII) advertising, production,  
21 transportation, and capital expendi-  
22 tures relating to the primary venue of  
23 the eligible entity or events held at  
24 such venue, except that a grant under

1                   this section may not be used primarily  
2                   for such expenditures.

3                   (C) PROHIBITED EXPENSES.—An eligible  
4                   entity may not use amounts received under a  
5                   grant under this section—

6                   (i) to purchase real estate;

7                   (ii) for payments of interest or prin-  
8                   cipal for loans originated after February  
9                   15, 2020;

10                  (iii) to invest or re-lend funds;

11                  (iv) for contributions or expenditures  
12                  to, or on behalf of, any political party,  
13                  party committee or candidate for elective  
14                  office; or

15                  (v) for any other use as may be rea-  
16                  sonably prohibited by the Administrator.

17                  (f) INCREASED OVERSIGHT.—The Administrator  
18                  shall increase oversight of eligible entities receiving cov-  
19                  ered grants, which may include the following:

20                  (1) DOCUMENTATION.—Additional documenta-  
21                  tion requirements that are consistent with the eligi-  
22                  bility and other requirements under this section, in-  
23                  cluding requiring an eligible entity that receives a  
24                  grant under this section to retain records that docu-

1       ment compliance with the requirements for grants  
2       under this section—

3               (A) with respect to employment records,  
4               for the 4-year period following receipt of the  
5               grant; and

6               (B) with respect to other records, for the  
7               3-year period following receipt of the grant.

8       (2) REVIEWS OF USE.—Reviews of the use of  
9       the grant proceeds by an eligible entity to ensure the  
10      compliance with requirements established under this  
11      section and by the Administrator, including that the  
12      Administrator may—

13              (A) review and audit grants under this sec-  
14              tion; and

15              (B) in the case of fraud or other material  
16              noncompliance with respect to a grant under  
17              this section—

18                      (i) require repayment of misspent  
19                      funds; or

20                      (ii) pursue legal action to collect  
21                      funds.

22      (g) OVERSIGHT AND AUDIT PLAN.—

23              (1) IN GENERAL.—Not later than 45 days after  
24      the date of enactment of this Act, the Administrator  
25      shall submit to the Committee on Small Business

1 and Entrepreneurship of the Senate and the Com-  
2 mittee on Small Business of the House of Rep-  
3 resentatives an audit plan that details—

4 (A) the policies and procedures of the Ad-  
5 ministrator for conducting oversight and audits  
6 of covered grants; and

7 (B) the metrics that the Administrator  
8 shall use to determine which covered grants will  
9 be audited pursuant to subsection (f).

10 (2) REPORT.—Not later than 60 days after the  
11 date of enactment of this Act, and each month  
12 thereafter until the date that is 1 year after the date  
13 on which all amounts appropriated to make covered  
14 grants have been expended, the Administrator shall  
15 submit to the Committee on Small Business and En-  
16 trepreneurship of the Senate and the Committee on  
17 Small Business of the House of Representatives a  
18 report on the oversight and audit activities of the  
19 Administrator under this subsection, which shall in-  
20 clude—

21 (A) the total number of covered grants ap-  
22 proved and disbursed;

23 (B) the total amount of covered grants re-  
24 ceived by each eligible entity;

1 (C) the number of active investigations and  
2 audits of covered grants;

3 (D) the number of completed reviews and  
4 audits of covered grants, including a description  
5 of any findings of fraud or other material non-  
6 compliance; and

7 (E) any substantial changes made to the  
8 oversight and audit plan submitted under para-  
9 graph (1).

10 (h) TAX TREATMENT OF COVERED LOANS.—

11 (1) IN GENERAL.—For the purposes of the In-  
12 ternal Revenue Code of 1986—

13 (A) no covered grant shall be included in  
14 the gross income of the eligible entity that re-  
15 ceives such covered grant;

16 (B) no deduction shall be denied, no tax  
17 attribute shall be reduced, and no basis increase  
18 shall be denied, by reason of the exclusion from  
19 gross income provided by subparagraph (A);  
20 and

21 (C) in the case of a partnership or S cor-  
22 poration that receives such a covered grant—

23 (i) any amount excluded from income  
24 by reason of subparagraph (A) shall be  
25 treated as tax exempt income for purposes



1 of sections 705 and 1366 of the Internal  
2 Revenue Code of 1986; and

3 (ii) the Secretary of the Treasury (or  
4 the Secretary's delegate) shall prescribe  
5 rules for determining a partner's distribu-  
6 tive share of any amount described in  
7 clause (i) for purposes of section 705 of  
8 the Internal Revenue Code of 1986.

9 (2) APPLICABILITY.—Paragraph (1) shall apply  
10 to taxable years ending after the date of enactment  
11 of this Act.

12 (i) FUNDING.—Notwithstanding any provision of cov-  
13 ered law, from any funds appropriated under such a law  
14 that have not been obligated as of the date of enactment  
15 of this Act and are no longer being used to carry out the  
16 activities under such a law, the remaining funds or  
17 \$550,000,000, whichever is greater, but in any case not  
18 more than \$550,000,000, shall be allocated to the Admin-  
19 istrator to carry out this section, of which not more than  
20 \$50,000,000 shall be allocated to Independent Profes-  
21 sional Baseball Clubs.

○