To establish a grant program for small live venue operators and talent representatives.

IN THE SENATE OF THE UNITED STATES

Mr. CORNYN (for himself and Ms. KLOBUCHAR) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To establish a grant program for small live venue operators and talent representatives.

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 “Save our Stages Act” or the “SOS Act”.

SEC. 2. GRANTS FOR INDEPENDENT LIVE VENUE OPERATORS.

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

(2) Eligible operator, promoter, producer, or talent representative.—

(A) In general.—The term “eligible operator, promoter, producer, or talent representative” means a live venue operator or producer or promoter or a talent representative that meets the following requirements:

(i) The live venue operator or producer or promoter or the talent representative was fully operational as a live venue operator or producer or promoter or talent representative on February 29, 2020.

(ii) As of the date of the grant under this section—

(I) the live venue operator or producer or promoter is organizing, promoting, producing, managing, or hosting future events described in paragraph (4)(A)(i); or

(II) the talent representative is representing or managing artists and entertainers.
(iii) The venues at which the live venue operator or producer or promoter promotes, produces, manages, or hosts events described in paragraph (4)(A)(i) or the artists and entertainers represented or managed by the talent representative perform have the following characteristics:

(I) A defined performance and audience space.

(II) A mixing desk, public address system, and lighting rig.

(III) Employs not less than 2 of the following:

(aa) A sound engineer.

(bb) A booker.

(ee) A promoter.

(dd) A stage manager.

(ee) Security personnel.

(ff) A box office manager.

(IV) There is a paid ticket or cover charge to attend most performances and artists are paid fairly and do not play for free or solely for tips, except for legitimate fundraisers or similar charitable events.
(V) For a venue owned or operated by a nonprofit entity that produces free events, the events are produced and managed by paid employees, not by volunteers.

(VI) Performances are marketed through listings in printed or electronic publications, on websites, by mass email, or on social media.

(iv) The live venue operator or producer or promoter or the talent representative does not have, or is not majority owned or controlled by an entity with, more than 1 of the following characteristics:

(I) Being an issuer, the securities of which are listed on a national securities exchange.

(II) Owning or operating venues or talent agencies or talent management companies with offices in more than 1 country.

(III) Owning or operating venues in more than 10 States.
(IV) Employing more than 500 employees, determined on a full-time equivalent basis in accordance with subparagraph (B).

(V) Receiving more than 10 percent of gross revenue from Federal funding.

(B) CALCULATION OF FULL-TIME EMPLOYEES.—For purposes of determining the number of full-time equivalent employees under subparagraph (A)(iv)(IV)—

(i) any employee working not fewer than 30 hours per week shall be considered a full-time employee; and

(ii) any employee working not fewer than 10 hours and fewer than 30 hours per week shall be counted as one-half of a full-time employee.

(3) EXCHANGE; ISSUER; SECURITY.—The terms “exchange”, “issuer”, and “security” have the meanings given such terms in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)).

(4) LIVE VENUE OPERATOR OR PRODUCER OR PROMOTER.—The term “live venue operator or producer or promoter”—
(A) means an individual or entity that—

(i) as not less than 70 percent of the operations of the person, organizes, promotes, sells tickets produces, manages, or hosts live concerts, comedy shows, theatrical productions, or other events by performing artists and applies cover charge through ticketing or front door entrance fee; or

(ii) makes tickets to events described in clause (i) available for purchase by the public an average of not less than 60 days before the date of the event and pays performers in an event described in clause (i) in an amount that is based on a percentage of sales, guarantee (in writing or standard contract), or another mutually beneficial formal agreement; and

(B) includes an individual or entity described in subparagraph (A) that—

(i) operates for profit or as a non-profit;

(ii) is government-owned; or
(iii) is a corporation, limited liability company, or partnership or operated as a sole proprietorship.


(6) STATE.—The term “State” means—

(A) a State;

(B) the District of Columbia;

(C) the Commonwealth of Puerto Rico;

and

(D) any other territory or possession of the United States.

(7) TALENT REPRESENTATIVE.—The term “talent representative”—

(A) means an agent or manager that—

(i) as not less than 70 percent of the operations of the agent or manager, is engaged in representing or managing artists and entertainers;

(ii) books musicians, comedians, actors, or similar performing artists pri-
primarily in independent venues or at festivals; and

(iii) represents performers described in clause (ii) that are paid in an amount that is based on the number of tickets sold, or a similar basis; and

(B) includes an agent or manager described in subparagraph (A) that—

(i) operates for profit or as a non-profit;

(ii) is government-owned; or

(iii) is a corporation, limited liability company, or partnership or operated as a sole proprietorship.

(b) Authority.—

(1) Initial Grants.—The Administrator may make initial grants to eligible operators, promoters, and talent representatives in accordance with this section.

(2) Supplemental Grants.—The Administrator may make a supplemental grant in accordance with this section to an eligible operator, promoter, producer, or talent representative that receives a grant under paragraph (1) if, as of December 1, 2020, the revenues of the eligible operator, pro-
moter, producer, or talent representative for the
most recent calendar quarter are not more than 20
percent of the revenues of the eligible operator, pro-
moter, producer, or talent representative for the cor-
responding calendar quarter during 2019 due to the
COVID–19 pandemic.

(c) AMOUNT.—

(1) INITIAL GRANTS.—A grant under sub-
section (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 operator, promoter,
producer, or talent representative during 2019;
(B) for an eligible operator, promoter, pro-
ducer, or talent representative 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) $12,000,000.

(2) SUPPLEMENTAL GRANTS.—A grant under
subsection (b)(2) shall be in the amount equal to 50
percent of the grant received by the eligible operator,
promoter, producer, or talent representative under subsection (b)(1).

(d) USE OF FUNDS.—

(1) 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, 2020.

(ii) EXTENSION FOR SUPPLEMENTAL GRANTS.—If an eligible operator, promoter, producer, or talent representative 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, 2021.

(B) EXPENDITURE.—

(i) IN GENERAL.—Except as provided in clause (ii), an eligible operator, promoter, producer, or talent representative 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 operator, promoter, producer, or talent representative receives a grant under subsection (b)(2), the eligible operator, promoter, producer, or talent representative 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 operator, promoter, producer, or talent representative of the grant under subsection (b)(1).

(2) Allowable Expenses.—An eligible operator, promoter, producer, or talent representative may use amounts received under a grant under this section for—

(A) payroll costs for employees and furloughed employees, including—

(i) costs for continuation coverage provided pursuant to part 6 of subtitle B of title I of the Employee Retirement In-
come Security Act of 1974 (other than under section 609), title XXII of the Public Health Service Act, section 4980B of the Internal Revenue Code of 1986 (other than subsection (f)(1) of such section insofar as it relates to pediatric vaccines), or section 8905a of title 5, United States Code, or under a State program that provides comparable continuation coverage, other than coverage under a health flexible spending arrangement under a cafeteria plan within the meaning of section 125 of the Internal Revenue Code of 1986; or

(ii) any other non-cash benefit;

(B) rent;

(C) utilities;

(D) mortgage interest payments on existing mortgages as of February 15, 2020;

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

(F) costs related to personal protective equipment;

(G) payments of principal on outstanding loans;
(H) payments made to independent contractors, as reported on Form-1099 MISC; and

(I) 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) insurance; and

(vii) any other capital expenditure or expense required under any State, local, or Federal law or guideline related to social distancing.

(3) PROHIBITED EXPENSES.—An eligible operator, promoter, producer, or talent representative 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 $10,000,000,000 to carry out this section.