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(Original Signature of Member)

116TH CONGRESS  
2D SESSION

# H. R.

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

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## IN THE HOUSE OF REPRESENTATIVES

Mr. WELCH introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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# A BILL

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

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

6 **SEC. 2. GRANTS FOR INDEPENDENT LIVE VENUE OPERA-**  
7 **TORS.**

8 (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) ELIGIBLE OPERATOR, PROMOTER, PRO-  
5           DUCER, OR TALENT REPRESENTATIVE.—

6           (A) IN GENERAL.—The term “eligible op-  
7           erator, promoter, producer, or talent represent-  
8           ative” means a live venue operator or producer  
9           or promoter or a talent representative that  
10          meets the following requirements:

11           (i) The live venue operator or pro-  
12          ducer or promoter or the talent representa-  
13          tive was fully operational as a live venue  
14          operator or producer or promoter or talent  
15          representative on February 29, 2020.

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

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

23           (II) the talent representative is  
24          representing or managing artists and  
25          entertainers.

1 (iii) The venues at which the live  
2 venue operator or producer or promoter  
3 promotes, produces, manages, or hosts  
4 events described in paragraph (4)(A)(i) or  
5 the artists and entertainers represented or  
6 managed by the talent representative per-  
7 form have the following characteristics:

8 (I) A defined performance and  
9 audience space.

10 (II) A mixing desk, public ad-  
11 dress system, and lighting rig.

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

14 (aa) A sound engineer.

15 (bb) A booker.

16 (cc) A promoter.

17 (dd) A stage manager.

18 (ee) Security personnel.

19 (ff) A box office manager.

20 (IV) There is a paid ticket or  
21 cover charge to attend most perform-  
22 ances and artists are paid fairly and  
23 do not play for free or solely for tips,  
24 except for legitimate fundraisers or  
25 similar charitable events.

1 (V) For a venue owned or oper-  
2 ated by a nonprofit entity that pro-  
3 duces free events, the events are pro-  
4 duced and managed by paid employ-  
5 ees, not by volunteers.

6 (VI) Performances are marketed  
7 through listings in printed or elec-  
8 tronic publications, on websites, by  
9 mass email, or on social media.

10 (iv) The live venue operator or pro-  
11 ducer or promoter or the talent representa-  
12 tive does not have, or is not majority  
13 owned or controlled by an entity with,  
14 more than 1 of the following characteris-  
15 tics:

16 (I) Being an issuer, the securities  
17 of which are listed on a national secu-  
18 rities exchange.

19 (II) Owning or operating venues  
20 or talent agencies or talent manage-  
21 ment companies with offices in more  
22 than 1 country.

23 (III) Owning or operating venues  
24 in more than 10 States.

1 (IV) Employing more than 500  
2 employees, determined on a full-time  
3 equivalent basis in accordance with  
4 subparagraph (B).

5 (V) Receiving more than 10 per-  
6 cent of gross revenue from Federal  
7 funding.

8 (B) CALCULATION OF FULL-TIME EMPLOY-  
9 EES.—For purposes of determining the number  
10 of full-time equivalent employees under sub-  
11 paragraph (A)(iv)(IV)—

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

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

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

23 (4) LIVE VENUE OPERATOR OR PRODUCER OR  
24 PROMOTER.—The term “live venue operator or pro-  
25 ducer or promoter”—

1 (A) means an individual or entity that—

2 (i) as not less than 70 percent of the  
3 operations of the person, organizes, pro-  
4 motes, sells tickets produces, manages, or  
5 hosts live concerts, comedy shows, theat-  
6 rical productions, or other events by per-  
7 forming artists and applies cover charge  
8 through ticketing or front door entrance  
9 fee; or

10 (ii) makes tickets to events described  
11 in clause (i) available for purchase by the  
12 public an average of not less than 60 days  
13 before the date of the event and pays per-  
14 formers in an event described in clause (i)  
15 in an amount that is based on a percent-  
16 age of sales, guarantee (in writing or  
17 standard contract), or another mutually  
18 beneficial formal agreement; and

19 (B) includes an individual or entity de-  
20 scribed in subparagraph (A) that—

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

23 (ii) is government-owned; or

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

4 (5) NATIONAL SECURITIES EXCHANGE.—The  
5 term “national securities exchange” means an ex-  
6 change registered as a national securities exchange  
7 under section 6 of the Securities Exchange Act of  
8 1934 (15 U.S.C. 78f).

9 (6) STATE.—The term “State” means—

10 (A) a State;

11 (B) the District of Columbia;

12 (C) the Commonwealth of Puerto Rico;

13 and

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

16 (7) TALENT REPRESENTATIVE.—The term “tal-  
17 ent representative”—

18 (A) means an agent or manager that—

19 (i) as not less than 70 percent of the  
20 operations of the agent or manager, is en-  
21 gaged in representing or managing artists  
22 and entertainers;

23 (ii) books musicians, comedians, ac-  
24 tors, or similar performing artists pri-

1 marily in independent venues or at fes-  
2 tivals; and

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

7 (B) includes an agent or manager de-  
8 scribed in subparagraph (A) that—

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

11 (ii) is government-owned; or

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

15 (b) AUTHORITY.—

16 (1) INITIAL GRANTS.—The Administrator may  
17 make initial grants to eligible operators, promoters,  
18 and talent representatives in accordance with this  
19 section.

20 (2) SUPPLEMENTAL GRANTS.—The Adminis-  
21 trator may make a supplemental grant in accordance  
22 with this section to an eligible operator, promoter,  
23 producer, or talent representative that receives a  
24 grant under paragraph (1) if, as of December 1,  
25 2020, the revenues of the eligible operator, pro-

1 moter, producer, or talent representative for the  
2 most recent calendar quarter are not more than 20  
3 percent of the revenues of the eligible operator, pro-  
4 moter, producer, or talent representative for the cor-  
5 responding calendar quarter during 2019 due to the  
6 COVID-19 pandemic.

7 (c) AMOUNT.—

8 (1) INITIAL GRANTS.—A grant under sub-  
9 section (b)(1) shall be in the amount equal to the  
10 lesser of—

11 (A) the amount equal to 45 percent of the  
12 gross revenue of the eligible operator, promoter,  
13 producer, or talent representative during 2019;

14 (B) for an eligible operator, promoter, pro-  
15 ducer, or talent representative that began oper-  
16 ations after January 1, 2019, the amount equal  
17 to the product obtained by multiplying—

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

21 (ii) 6; or

22 (C) \$12,000,000.

23 (2) SUPPLEMENTAL GRANTS.—A grant under  
24 subsection (b)(2) shall be in the amount equal to 50  
25 percent of the grant received by the eligible operator,

1 promoter, producer, or talent representative under  
2 subsection (b)(1).

3 (d) USE OF FUNDS.—

4 (1) TIMING.—

5 (A) EXPENSES INCURRED.—

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

12 (ii) EXTENSION FOR SUPPLEMENTAL  
13 GRANTS.—If an eligible operator, pro-  
14 moter, producer, or talent representative  
15 receives a grant under subsection (b)(2),  
16 amounts received under either grant under  
17 this section may be used for costs incurred  
18 during the period beginning on March 1,  
19 2020, and ending on June 30, 2021.

20 (B) EXPENDITURE.—

21 (i) IN GENERAL.—Except as provided  
22 in clause (ii), an eligible operator, pro-  
23 moter, producer, or talent representative  
24 shall return to the Administrator any  
25 amounts received under a grant under this

1 section that are not expended on or before  
2 the date that is 1 year after the date of  
3 disbursement of the grant.

4 (ii) EXTENSION FOR SUPPLEMENTAL  
5 GRANTS.—If an eligible operator, pro-  
6 moter, producer, or talent representative  
7 receives a grant under subsection (b)(2),  
8 the eligible operator, promoter, producer,  
9 or talent representative shall return to the  
10 Administrator any amounts received under  
11 either grant under this section that are not  
12 expended on or before the date that is 18  
13 months after the date of disbursement to  
14 the eligible operator, promoter, producer,  
15 or talent representative of the grant under  
16 subsection (b)(1).

17 (2) ALLOWABLE EXPENSES.—An eligible oper-  
18 ator, promoter, producer, or talent representative  
19 may use amounts received under a grant under this  
20 section for—

21 (A) payroll costs for employees and fur-  
22 loughed employees, including—

23 (i) costs for continuation coverage  
24 provided pursuant to part 6 of subtitle B  
25 of title I of the Employee Retirement In-

1           come Security Act of 1974 (other than  
2           under section 609), title XXII of the Pub-  
3           lic Health Service Act, section 4980B of  
4           the Internal Revenue Code of 1986 (other  
5           than subsection (f)(1) of such section inso-  
6           far as it relates to pediatric vaccines), or  
7           section 8905a of title 5, United States  
8           Code, or under a State program that pro-  
9           vides comparable continuation coverage,  
10          other than coverage under a health flexible  
11          spending arrangement under a cafeteria  
12          plan within the meaning of section 125 of  
13          the Internal Revenue Code of 1986; or

14                 (ii) any other non-cash benefit;  
15                 (B) rent;  
16                 (C) utilities;  
17                 (D) mortgage interest payments on exist-  
18          ing mortgages as of February 15, 2020;  
19                 (E) scheduled interest payments on other  
20          scheduled debt as of February 15, 2020;  
21                 (F) costs related to personal protective  
22          equipment;  
23                 (G) payments of principal on outstanding  
24          loans;

1 (H) payments made to independent con-  
2 tractors, as reported on Form-1099 MISC; and

3 (I) other ordinary and necessary business  
4 expenses, including—

5 (i) settling existing debts owed to ven-  
6 dors;

7 (ii) maintenance expenses;

8 (iii) administrative costs;

9 (iv) taxes;

10 (v) operating leases;

11 (vi) insurance; and

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

16 (3) PROHIBITED EXPENSES.—An eligible oper-  
17 ator, promoter, producer, or talent representative  
18 may not use amounts received under a grant under  
19 this section—

20 (A) to purchase real estate;

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

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

1                   (D) for contributions or expenditures to, or  
2                   on behalf of, any political party, party com-  
3                   mittee, or candidate for elective office; or

4                   (E) for any other use as may be prohibited  
5                   by the Administrator.

6           (e) AUTHORIZATION OF APPROPRIATIONS.—There is  
7 authorized to be appropriated \$10,000,000,000 to carry  
8 out this section.