

## Convention Center Eligibility Information for the PPP

The below portion is in the DMO provision; however, **the legislation creates a new category of government-owned entities that derive the majority of their budgets from the production of live events.** It is drafted with a disjunctive “or” which makes all the difference in the world. There are limits on lobbying and can only be 300 employees. I’ve highlighted in green how it should be read for quasi-governmental venues that derive the majority of revenues from producing live events.

### SEC. 318. ELIGIBILITY OF 501(c)(6) AND DESTINATION MARKETING ORGANIZATIONS FOR LOANS UNDER THE PAYCHECK PROTECTION PROGRAM.

Section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) is amended—

(1) in subparagraph (A), as amended by section 316 of this Act, by adding at the end the following:

“(xv) the term ‘destination marketing

organization’ means a nonprofit entity that

is—

“(I) an organization described in section 501(c) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code; or

“(II) a State, or a political sub-

division of a State (including any in-

strumentality of such entities)—

“(aa) engaged in marketing and promoting communities and facilities to businesses and leisure travelers through a range of activities, including—

“(AA) assisting with the location of meeting and convention sites;

“(BB) providing travel

information on area attractions, lodging accommodations, and restaurants;

“(CC) providing maps;

and

“(DD) organizing group tours of local historical, recreational, and cultural attractions; or

“(bb) that is engaged in,

and derives the majority of the operating budget of the entity from revenue attributable to, providing live events; and”;

(2) in subparagraph (D), as amended by section 316 of this Act—

(A) in clause (v), by inserting “or for purposes of determining the number of employees

of a housing cooperative or a business concern or organization made eligible for a loan under this paragraph under clause (iii)(II), (iv)(IV), or (vii),” after “clause (i)(I),”;

(B) in clause (vi), by inserting “a business concern or organization made eligible for a loan under this paragraph under clause (vii),” after “a nonprofit organization,”; and

(C) by adding at the end the following:

“(vii) ELIGIBILITY FOR CERTAIN

501(c)(6) ORGANIZATIONS.—

“(I) IN GENERAL.—Any organization that is described in section 501(c)(6) of the Internal Revenue Code and that is exempt from taxation under section 501(a) of such Code (excluding professional sports leagues and organizations with the purpose of promoting or participating in a political campaign or other activ-

ity) shall be eligible to receive a covered loan if—

“(aa) the organization does

not receive more than 15 percent of its receipts from lobbying activities;

“(bb) the lobbying activities of the organization do not comprise more than 15 percent of the total activities of the organization;

“(cc) the cost of the lobbying activities of the organization did not exceed \$1,000,000 during the most recent tax year of the organization that ended prior to February 15, 2020; and

“(dd) the organization employs not more than 300 employees.

“(II) DESTINATION MARKETING ORGANIZATIONS.—Any destination marketing organization shall be eligible to receive a covered loan if—

“(aa) the destination marketing organization does not receive more than 15 percent of its receipts from lobbying activities;

“(bb) the lobbying activities of the destination marketing organization do not comprise more than 15 percent of the total activities of the organization;

“(cc) the cost of the lobbying activities of the destination marketing organization did not exceed \$1,000,000 during the most recent tax year of the des-

destination marketing organization that ended prior to February 15, 2020; and

“(dd) the destination marketing organization employs not more than 300 employees; and

“(ee) the destination marketing organization—

“(AA) is described in section 501(c) of the Internal Revenue Code and is exempt from taxation under section 501(a) of such Code; or

“(BB) is a quasi-governmental entity or is a political subdivision of a State or local government, including any instrumentality of those entities.”.