

SB 310 - Small, Minority, and Women-Owned Business

Uploaded by: Justin Hayes

Position: FAV



Peter Franchot
Comptroller

TESTIMONY OF COMPTROLLER PETER FRANCHOT

**Support - Senate Bill 310 - Small, Minority, and Women-Owned Businesses Account
- Local State of Emergency**
Budget & Taxation Committee
February 9, 2022

Chairman Guzzone, Vice Chair Rosapepe, and members of the Committee, it is my pleasure to provide testimony in **support** of **Senate Bill 310 - Small, Minority, and Women-Owned Businesses Account - Local State of Emergency**. I would like to thank Senator Elfreth for sponsoring this important legislation, and the Committee for providing the opportunity for my testimony to be heard.

The COVID-19 pandemic illustrated the need for strong community support to keep local businesses and nonprofits afloat in challenging times. As is often the case, areas of the state were impacted differently, and local governments respond as necessary by declaring a local state of emergency to provide more resources to their residents. SB 310 would extend the eligible uses of the Small, Minority, and Women-Owned Businesses Account (SMWOBA) to include grants to businesses and nonprofit organizations in areas where a local state of emergency has been declared, providing a needed boost to struggling organizations. Businesses that meet the criteria would be eligible to receive assistance in the form of grants up to \$50,000, or the conversion of a previous loan to a grant.

During the 2021 regular General Assembly Session, the legislature expanded the eligible uses of SMWOBA to include grants in areas declared to be federal disaster areas or subject to a federal or State declaration of emergency. SB 310 would simply expand that use to apply to areas under a local state of emergency. This reasonable measure will work to keep our small, minority, and women-owned businesses steady in moments they need it most.

For the reasons stated above, I respectfully request a favorable report for Senate Bill 310. Thank you for your time and consideration.

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SB0310-BT_MACo_SUP.pdf

Uploaded by: Kevin Kinnally

Position: FAV



Senate Bill 310

Small, Minority, and Women-Owned Businesses Account – Local State of Emergency

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: February 9, 2022

From: Brianna January and Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 310. This bill would provide State resources during local states of emergency by making grants available for local small, minority, and women-owned businesses and nonprofits impacted by local emergencies using existing funds within the Small, Minority, and Women-Owned Business Account.

SB 310 expands the eligible uses of the Small, Minority, and Women-Owned Business Account to include financial support for businesses and nonprofits during local states of emergency. More precisely, should a local government declare a local state of emergency, then the account can be used for special assistance to small and minority-owned businesses and nonprofits in the form of grants, or through the conversion of existing loans into grants.

Counties have navigated several situations in recent years where SB 310 would have made a significant difference for local businesses and nonprofits that serve our communities, such as the string of extreme storms and tornadoes in September 2021 that hit Anne Arundel County and the devastating 2018 flooding of Ellicott City in Howard County.

Such pernicious events detrimentally impact the small businesses and nonprofits that operate in our communities, both in the form of physical damage to infrastructure and resources, and in the form of financial ruin. Often, these community fixtures are forced to halt or cease operations because of local states of emergency.

While counties do their best to provide operational and fiscal assistance to the businesses and nonprofits impacted during local states of emergency, the needs are often greater than the resources available. SB 310 seeks to fill some of those gaps by expanding and streamlining eligibility for existing pools of funding for small, minority, and women-owned businesses and nonprofits during these difficult situations.

Extreme weather events are becoming more frequent and more severe, and local governments are at the forefront of addressing them. SB 310 would provide additional resources and would encourage deeper state and local collaboration to navigate such situations. For these reasons, MACo **SUPPORTS** SB 310 and urges a **FAVORABLE** report.

HB386_SB310_FAV_Ald PindellCharles - WARD 3 .docx.

Uploaded by: Kevin Simmons

Position: FAV

Distinguished State Legislators: Good afternoon.

My name is Rhonda Pindell-Charles. I serve on the Annapolis City Council, representing Ward 3. And I am an attorney.

I have lived in Annapolis—specifically, the Parole community—all of my 67 years. And my family has had a presence here in Parole since the Civil War.

I am here to testify in support of SB310/HB386.

As you may be aware, on September 1, 2021, our community suffered a devastating event—namely, Tornado Ida ripped through our neighborhoods. While, as a result, we were blessed not to have suffered any loss of life or injuries, nevertheless, nothing of this magnitude has ever happened here. So, for us, it has been a traumatic event with unimaginable experiences, including “navigating the systems”, especially since, again, our Parole community is an older community.

Not only have close to 100 private households been directly affected suffering a variety of losses, approximately 30 businesses, including non-profits, have been affected as well: Anywhere from being a total loss, to the loss of electricity, and everything else in between—directly affecting their ability to do business and to stay in business. And we are still reeling from this event.

While we remain very grateful for the support of our City, County, State, the Governor’s Office, and private organizations, nevertheless, a more streamlined process would have been very helpful. And this Bill addresses many challenges.

SB310/HB386 would authorize local fund managers to distribute funds after local emergencies, rather than only under State emergencies as they are currently authorized. This would lead to less bureaucracy, and dollars would reach the hands of businesses and non-profits more quickly.

Therefore, WE wholeheartedly support this legislation.

Thank you very much for your thoughtful consideration.

2/9/22

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Uploaded by: Natasha Mehu

Position: FAV



BRANDON M. SCOTT
Mayor

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

SB 310

February 9, 2022

TO: Members of the Senate Budget and Taxation Committee

FROM: Natasha Mehu, Director of Government Relations

RE: SB 310 - Small, Minority, and Women-Owned Businesses Account –
Local State of Emergency

POSITION: SUPPORT

Chair Guzzone, Vice Chair Rosapepe, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill 310.

SB 310 would provide Baltimore City, and other local governments, greater flexibility in providing support to local small, minority, and women-owned businesses during a state of emergency declared by the Mayor. The pandemic has shown us how critical such support can be to these businesses.

This bill expands the eligibility for small, minority, or women-owned businesses to qualify for financial assistance in areas declared a state of emergency. Eligible fund managers would be able to provide financial assistance to businesses and non-profits in the form of a grant or to convert part or all of a loan to a grant before the area was declared a federal disaster area or became subject to a declaration of emergency.

The amount of any grant or loan converted to a grant may not exceed \$50,000 for a single business. The aggregate total of financial assistance provided in the form of grants and loans converted to grants may not exceed \$10,000,000 in a fiscal year.

We respectfully request a **favorable** report on Senate Bill 310.

SB310_SenElfreth_FAV.pdf

Uploaded by: Sarah Elfreth

Position: FAV

SENATOR SARAH ELFRETH
Legislative District 30
Anne Arundel County

Budget and Taxation Committee

Subcommittees

Education, Business and Administration

Chair, Pensions

Senate Chair

Joint Committee on Administrative,
Executive, and Legislative Review

Joint Committee on the Chesapeake and
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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

February 9, 2022

**Testimony in Favor of SB0310
Small, Minority, and Women-Owned Businesses Account - Local State of Emergency**

Chair Guzzone, Vice-Chair Rosapepe, and fellow members of the Budget and Taxation Committee,

I respectfully request a favorable report of Senate Bill 310 to provide a streamlined process for our local governments to quickly get grant funding in the hands of businesses and nonprofits impacted in local emergency declarations.

This legislation builds upon unanimously passed HB853 of last session, which expanded the use of the Small, Minority, and Women-Owned Businesses (SMWOB) account to allow for grants to be issued to businesses in Federal Disaster areas or if there had been a Federal or State Declaration of Emergency.

The critical need for this bill becomes clear when you consider the juxtaposition presented by two of the most recent natural disasters that District 30 experienced in the fall of 2021: the tornado caused by the remnants of Hurricane Ida in September and the record-setting flood event in late-October.

The governmental response to the October flood was incredible – Governor Hogan declared a State of Emergency on October 29th before the catastrophic damage caused by the flood and, because of this Emergency, the very next day County Executive Stuart Pittman announced¹ that the Anne Arundel Economic Development Corporation would immediately begin accepting applications for grants of up to \$50,000 for businesses impacted by the flood through the process outlined in HB853. Within a matter of weeks, over a dozen grants were issued to help get our communities small-businesses back on their feet². I've spoken with these business owners - at least one credits this swift response with saving his business.

The tornado, on the other hand, showed governmental bureaucracy at its worst. On September 1st an EF-2 tornado swept through Annapolis and Anne Arundel County causing a tremendous amount of destruction in its path. From Edgewater to West St, dozens of businesses were damaged with some even being completely destroyed. The next day I, along with other local leaders, joined together to speak to business owners and residents impacted to make the promise that we would do everything we could to help them. Unfortunately, we were unable to do so because the Governor did not declare a State of Emergency and our State did not receive a FEMA disaster declaration. Small businesses suffered for months without knowing whether or not their State was going to come through with

¹ <https://www.aaedc.org/pittman-aaedc-announce-50000-grants-for-businesses-impacted-by-chesapeake-bay-flooding/>

² <https://www.aaedc.org/21-small-businesses-get-nearly-650k-in-grants-for-flooding-recovery/>

desperately needed support. Thankfully, after months of lobbying, the Governor released funding through the Catastrophic Relief Fund and those residents and businesses are on their way to recovery.

SB310 would fix the problem seen in the aftermath of the tornado by creating a process in which local SMWOB fund managers have the ability to issue grants if there is a local emergency declaration - rather than just in Federal or State emergency declarations. The legislation matches HB853 in that the grants can only be for up to \$50,000; however, it does also expand it to non-profits.

If this legislation had been law when the tornado moved through Anne Arundel County, we would have been able to immediately distribute funding to businesses and nonprofits as we were able to after the flood event. My District unfortunately bore the brunt of a changing climate and severe weather with back-to-back emergencies in just under two months. The need for this legislation will only become more critical and we experience micro-storms across Maryland that devastate local communities but may not rise to the level of a Governor-declared State of Emergency.

Once again, I respectfully request a favorable report of SB310 to ensure that our local governments can respond quickly and meaningfully after local emergencies.

Rebekah's Copy of Maryland Corps Testimony Sample.

Uploaded by: Rebekah Geller

Position: FWA

Committee: Budget and Taxation
Testimony on: SB0228 Maryland Corps - Revisions
Organization: Climate Change Collective
Submitting: Rebekah Geller
Position: Favorable with Amendments
Hearing Date: February 9th

Dear Mr. Chairman and Committee Members,

Thank you for considering this testimony. I urge you to vote favorably for SB0228 - Maryland Corps - Revisions with additional amendments.

This bill revises the Maryland Corps program to create a Civilian Climate Corps for Maryland, among other changes.

A progressive Civilian Climate Corps should fund and attract funding for *good* jobs with a minimum wage of \$15 per hour, the right to organize for collective bargaining, health insurance and wraparound services. It should also identify the *right projects* in green energy and climate justice.

I am writing as a high school student from the Park School of Baltimore. Right now the world is dying. We have the opportunity to work and help the world. These jobs are of the utmost importance, and the work of climate activists needs to be prioritized.

SB0228 sets a decent standard for the *good jobs* criteria, providing a \$15 minimum wage, health insurance, and wraparound services. However it does not identify the *right projects* in green energy and climate justice. Instead, it only suggests that this program will cover staffing shortages in parks. This language should be altered to explicitly include “clean energy projects and climate justice projects.”

There is another bill this session, proposed by Senator Pinsky, Chairman of the Education Health and Environmental Affairs committee, Climate Solutions Now Act, that has the opposite problem - it identifies the *right projects* for a Civilian Climate Corps but does not deliver on providing *good jobs* - which this bill does

I encourage the Committee Chair and Senate President to work closely with Senator Pinsky, whose Climate Solutions Now Act fails to identify the right projects for a Civilian Climate Corps but does not deliver on providing good jobs, to unite the best aspects of these two bills to ensure

that the version of the Civilian Climate Corps that passes this session creates both *good jobs* and the *right projects*.

Several options are available: (1) language from the Climate Solutions Now Act concerning the right projects could be incorporated into this bill, (2) the standards for wages and benefits from this bill could be incorporated into the Climate Solutions Now Act, or, as I urge, each bill should include both elements. I believe that working together to either merge the bills or create two programs that both create good jobs in the right projects will result in a beneficial Climate Corps in Maryland, so long as both criteria are met in any bill intended to serve as a Climate Corps.

I also suggest three further amendments. The bill should guarantee the right for corps members to organize for collective bargaining and to strike. Second, it should include political organizing rights outside of working hours. Finally, the bill should make any Climate Corps program open to all ages, but prioritize hiring of young people, historically marginalized, and working class groups.

Thank you for considering,
Rebekah Geller

SB 310_Commerce_Information.pdf

Uploaded by: Jennifer LaHatte

Position: INFO



Larry Hogan | Governor
Boyd Rutherford | Lt. Governor
R. Michael Gill | Secretary of Commerce
Signe Pringle | Deputy Secretary of Commerce

DATE: February 9, 2022
COMMITTEE: Senate Budget & Taxation
BILL NO: Senate Bill 310
BILL TITLE: Small, Minority, and Women-Owned Businesses Account –Local State of Emergency
POSITION: Statement of Information

This bill proposes to expand the eligible uses of the Small, Minority, and Women-Owned Businesses Account (Account) during a declared local state of emergency in order to allow financial assistance to a small, minority, or women-owned business or nonprofit to be in the form of a grant or to allow for a portion of a loan to be converted to a grant. The total amount issued or converted to a grant is not to exceed \$50,000 for a single business. The bill also requires that Commerce approve any assistance provided under this use before the grant is distributed or a loan is converted to a grant.

Article XIX of the Maryland Constitution authorizes video lottery terminals (VLTs) to fund education. This provision was enacted pursuant to Chapter 5, Acts of the 2007 Special Session and ratified by Maryland voters in the November 2008 General Election. As a result, Chapter 4, Acts of the 2007 Special Session also became effective and established the Small, Minority, and Women-Owned Businesses Account under the Authority of the Board of Public Works (BPW).

State Government Article §9-1A-27 requires that 1.5 percent of the proceeds from VLTs at each video lottery facility be paid into the Account. State Government Article §9-1A-35 requires BPW to make grants to eligible fund managers to provide investment capital and loans to small, minority, and women-owned businesses in the State, of which at least 50 percent must be allocated to such businesses in the jurisdictions and communities surrounding a video lottery facility. BPW initially designated the Department of Commerce (Commerce), to manage the Account on their behalf, through a Memorandum of Understanding dated August 22, 2012. However, in May 2017 Governor Hogan approved Chapter 453, Acts of 2017, which transferred authority over the program from BPW to Commerce.

The State awarded licenses to operate VLT casinos in Cecil, Worcester, Anne Arundel, Allegany, and Prince George's Counties as well as Baltimore City. The casinos in Cecil, Worcester, and Anne Arundel Counties began VLT gaming operations on September 27, 2010, January 4, 2011, and June 6, 2012, respectively. VLT gaming operations opened in Allegany County at the Rocky Gap Resort in May of 2013. The Baltimore VLT facility opened in August of 2014. National Harbor in Prince George's County opened in December of 2016. The Account began receiving funds during fiscal year 2011 when the first VLT facility began gaming operations. Commerce currently has contracts with eight Fund Managers throughout the State who oversee the distribution of video lottery terminal funds.

Chapter 116, Acts of 2021 expanded the eligible uses of the Account to allow grants in areas declared to be federal disaster areas or subject to a federal or State declaration of emergency. Commerce learned a valuable lesson during the State's response to current the COVID crisis and the importance of being able to quickly deploy funds. Because of the statutory limitations on several financing programs, Commerce funds could not be deployed quickly and efficiently and in the way that would provide immediate help to small business owners. While Commerce was able to work with existing Fund Managers to ensure flexible lending terms during this time, and at the same time stand up two new programs to assist businesses, it took time. Small, and minority-owned businesses are the most vulnerable during a disaster and they often cannot wait for federal assistance to become available or for the State to stand up new programs. This small change to the Account allows Commerce to deploy funds quickly to an affected area and leverage its Fund Managers' expertise in how best to assist businesses in impacted communities.