

SENATE BILL 740

C8

EMERGENCY BILL

11r2122

By: **Senator Rosapepe**

Introduced and read first time: February 5, 2021

Assigned to: Finance and Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 6, 2021

CHAPTER _____

1 AN ACT concerning

2 **Economic Development – COVID–19 Small Business Grant Program**
3 **(COVID–19 Crisis Small Business Survival Program Act of 2021)**

4 FOR the purpose of establishing the Maryland COVID–19 Small Business Grant Program
5 in the Department of Commerce; establishing the purpose of the Program; requiring
6 the Department, subject to certain circumstances, to distribute to each county
7 certain funds in a certain manner for the purpose of providing grants to certain
8 eligible small businesses located in the county; authorizing a county to apply to the
9 Department for a distribution of funds in accordance with this Act; authorizing a
10 county to designate a certain entity to receive and distribute certain funds;
11 authorizing a county, subject to a certain condition, to establish certain criteria with
12 respect to grants issued in accordance with this Act; requiring a grant under the
13 Program to be funded in a certain manner; ~~declaring the intent of the General~~
14 ~~Assembly;~~ requiring the Department to report certain information to the General
15 Assembly on or before a certain date; defining certain terms; making this Act an
16 emergency measure; providing for the termination of this Act; and generally relating
17 to COVID–19 relief for small businesses.

18 BY repealing and reenacting, without amendments,
19 Article – Economic Development
20 Section 1–101(a) and (c)
21 Annotated Code of Maryland
22 (2018 Replacement Volume and 2020 Supplement)

23 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Article – Economic Development

2 Section 5–1701 through 5–1704 to be under the new subtitle “Subtitle 17. Maryland
3 COVID–19 Small Business Grant Program”

4 Annotated Code of Maryland

5 (2018 Replacement Volume and 2020 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

7 That the Laws of Maryland read as follows:

8 **Article – Economic Development**

9 1–101.

10 (a) In this division the following words have the meanings indicated.

11 (c) “Department” means the Department of Commerce.

12 **SUBTITLE 17. MARYLAND COVID–19 SMALL BUSINESS GRANT PROGRAM.**

13 **5–1701.**

14 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
15 INDICATED.

16 (B) “PROGRAM” MEANS THE MARYLAND COVID–19 SMALL BUSINESS
17 GRANT PROGRAM.

18 (C) “SMALL BUSINESS” MEANS AN ENTITY THAT:

19 (1) IS INDEPENDENTLY OWNED AND OPERATED, INCLUDING SOLE
20 PROPRIETORSHIPS;

21 (2) IS NOT A SUBSIDIARY OF ANOTHER FIRM;

22 (3) IS NOT DOMINANT IN ITS FIELD OF OPERATION; AND

23 (4) DID NOT EMPLOY IN ITS OPERATIONS MORE THAN 50 FULL–TIME
24 EQUIVALENT EMPLOYEES DURING CALENDAR YEAR 2019.

25 **5–1702.**

26 (A) THERE IS A MARYLAND COVID–19 SMALL BUSINESS GRANT
27 PROGRAM IN THE DEPARTMENT.

1 **(B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE FUNDING TO EACH**
2 **COUNTY TO ISSUE EMERGENCY RELIEF FUNDING DURING CALENDAR YEARS 2021**
3 **AND 2022 TO SMALL BUSINESSES LOCATED IN THE COUNTY THAT HAVE**
4 **EXPERIENCED AT LEAST A 25% REDUCTION IN GROSS RECEIPTS DURING THE**
5 **COVID-19 PANDEMIC RESULTING FROM EITHER:**

6 **(1) LOCAL, STATE, OR FEDERAL COVID-19 QUARANTINE RULES; OR**

7 **(2) MARKET FORCES.**

8 **(C) THE DEPARTMENT SHALL ADMINISTER THE PROGRAM.**

9 **5-1703.**

10 **(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, TO CARRY OUT THE**
11 **PURPOSES OF THE PROGRAM, THE DEPARTMENT SHALL DISTRIBUTE TO EACH**
12 **COUNTY A PORTION OF FUNDS FROM THE PROGRAM ON A PER CAPITA BASIS.**

13 **(B) (1) A COUNTY MAY APPLY TO THE DEPARTMENT FOR A DISTRIBUTION**
14 **OF FUNDS IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION FOR THE**
15 **PURPOSE OF PROVIDING GRANTS TO ELIGIBLE SMALL BUSINESSES LOCATED IN THE**
16 **COUNTY.**

17 **(2) THE COUNTY MAY DESIGNATE A COUNTY ENTITY TO RECEIVE AND**
18 **DISTRIBUTE THE FUNDS ALLOCATED UNDER SUBSECTION (A) OF THIS SECTION.**

19 **(3) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, THE COUNTY**
20 **MAY ESTABLISH ELIGIBILITY AND APPLICATION REQUIREMENTS FOR GRANTS**
21 **ISSUED IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION, THE AMOUNT**
22 **OF THE GRANTS, AND THE PURPOSES FOR WHICH THE GRANTS MAY BE EXPENDED.**

23 **(4) IF THE SMALL BUSINESS IS PARTICIPATING IN THE WORK**
24 **SHARING UNEMPLOYMENT INSURANCE PROGRAM ESTABLISHED UNDER TITLE 8,**
25 **SUBTITLE 12 OF THE LABOR AND EMPLOYMENT ARTICLE AT THE TIME OF**
26 **APPLICATION FOR THE GRANT UNDER THE PROGRAM, THE COUNTY OR THE**
27 **COUNTY'S DESIGNEE SHALL AWARD AN ADDITIONAL AMOUNT EQUAL TO 10% OF THE**
28 **AMOUNT THAT THE SMALL BUSINESS WOULD OTHERWISE RECEIVE UNDER THIS**
29 **SUBSECTION.**

30 **(C) ~~(1)~~ A GRANT UNDER THE PROGRAM SHALL BE FUNDED THROUGH:**

31 **~~(1) TO THE EXTENT AVAILABLE,~~ FEDERAL CORONAVIRUS**
32 **RELIEF MONEY PROVIDED TO THE STATE; ~~AND~~**

1 ~~(H) TO THE EXTENT THAT FUNDING DESCRIBED UNDER ITEM (I)~~
2 ~~OF THIS PARAGRAPH IS NOT AVAILABLE, STATE CORONAVIRUS RELIEF FUNDING~~
3 ~~DESIGNATED FOR THE PROGRAM.~~

4 ~~(2) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT~~
5 ~~\$100,000,000 IN FEDERAL AND STATE FUNDS SHALL BE DESIGNATED FOR THE~~
6 ~~PROGRAM UNDER THE CORONAVIRUS RESPONSE AND RELIEF SUPPLEMENTAL~~
7 ~~APPROPRIATIONS ACT AND ANY OTHER FEDERAL LEGISLATION ENACTED IN~~
8 ~~CALENDAR YEARS 2020 THROUGH 2022.~~

9 5-1704.

10 (A) ON OR BEFORE MARCH 1, 2021, THE DEPARTMENT SHALL REPORT TO
11 THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE
12 GOVERNMENT ARTICLE, ON THE ELIGIBILITY CRITERIA AND APPLICATION
13 PROCEDURES OF EACH COUNTY RECEIVING FUNDS TO PROVIDE GRANTS UNDER THE
14 PROGRAM AND THE AMOUNT OF THE GRANTS TO BE AWARDED TO BUSINESSES BY
15 THE COUNTY.

16 (B) ON OR BEFORE JUNE 1, 2021, AND EVERY 3 MONTHS THEREAFTER, THE
17 DEPARTMENT SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH
18 § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON FUNDING SOURCES FOR THE
19 PROGRAM, DISBURSEMENTS MADE THROUGH THE PROGRAM, THE INDUSTRY
20 SECTORS AND DEMOGRAPHIC INFORMATION OF SMALL BUSINESS ENTITIES
21 ASSISTED BY THE PROGRAM, AND ANY OTHER RELEVANT ISSUES THE DEPARTMENT
22 IDENTIFIES WITH RESPECT TO THE PROGRAM.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
24 measure, is necessary for the immediate preservation of the public health or safety, has
25 been passed by a yea and nay vote supported by three-fifths of all the members elected to
26 each of the two Houses of the General Assembly, and shall take effect from the date it is
27 enacted. It shall remain effective through June 30, 2024, and, at the end of June 30, 2024,
28 this Act, with no further action required by the General Assembly, shall be abrogated and
29 of no further force and effect.