

# **SB0740-FIN\_MACo\_SUP.pdf**

Uploaded by: Jabin, Drew

Position: FAV



## Senate Bill 740

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

MACo Position: **SUPPORT**

To: Finance Committee

Date: March 16, 2021

From: Drew Jabin and Michael Sanderson

The Maryland Association of Counties (MACo) **SUPPORTS** SB 740. This bill would establish a new program to support small businesses through grants, essentially making this channel a priority for expected federal funds.

Throughout the coronavirus pandemic, both the State and counties have recognized the dramatic effects of this altered economy on many small businesses across Maryland. Targeted support has been developed to protect them from overwhelming revenue loss, and to support safety investments to enable continued operations.

SB 740 extends this practical approach, with funds directed through counties as a central vehicle of this continued effort. Counties, through their economic development agencies, are closely in touch with their local business communities, and are best suited to connect to their most pressing needs.

SB 740 creates a framework of small business support, including counties as a principal conduit, and can further protect these engines of our economy. Accordingly, MACo urges the Committee to give SB 740 a **FAVORABLE** report.

# **SB740\_FAV\_MRA.pdf**

Uploaded by: Price, Sarah

Position: FAV



**SB740 Economic Development – COVID-19 Small Business Grant Program  
(COVID-19 Crisis Small Business Survival Program Act of 2021)  
Finance and Budget and Taxation Committees  
March 16, 2021**

**Position:** Favorable

**Background:** Establishing a COVID-19 Small Business Grant Program in the Department of Commerce for the purpose of providing funding to counties to issue emergency relief funding for businesses that experienced losses due to the COVID-19 pandemic.

**Written Comments:** The Maryland Retailers Association is supportive of grant funding programs. This program would establish a grant funding program of \$100 million from State and federal funds for counties to issue emergency relief grants for eligible small businesses. This program would allow local jurisdictions to provide necessary funding to the small businesses that are the backbone of their communities. Unfortunately, businesses that cannot access funding will often find that only predatory online lenders remain as their funding option, which results in a cycle of debt they are often unable to escape. Providing emergency funding for businesses that were negatively impacted by the COVID-19 pandemic will assist these businesses through the recovery period.

It is for these reasons we urge a favorable report on SB740.

## **SB 740 FWA.pdf**

Uploaded by: Birge, Ben

Position: FWA



March 12, 2021

The Honorable Delores G. Kelley, Chair  
Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, Maryland 21401

Dear Chair Kelley and Members of the Finance Committee:

**The Anne Arundel Economic Development Corporation (AAEDC) supports Senate Bill 740 with amendments.**

Throughout the pandemic, local governments – either through their Economic Development Offices or other agencies – continue to administer grant programs to small businesses. Though the source of the funding to date has been a mixture of state and federal, it is the local governments doing the heavy lifting of administering the programs

Speed, customer service and accountability are among the reasons why local management of these programs is in the best interests of small businesses. Our workflows that fit the unique structure of our jurisdictions putting funds in the hands of the businesses more quickly. Our relationships with many of the grant recipients make us better equipped to pick up the phone should a business need assistance with the application process. Also, our processes which are already are best suited to track information based on the experience over the last nine months of managing these grant programs.

To best execute these programs, the state should provide to the local jurisdictions as much discretion as possible to manage these programs on behalf of the state or federal governments. By providing a level of local flexibility regarding eligibility, each jurisdiction continues to respond to the needs of their business community. We know which businesses and which sectors suffered during the pandemic. We are on the ground every day talking with and listening to business owners.

Finally, local jurisdictions absorb the costs of administering these programs. At AAEDC, these costs include working with a vendor to create a web-based application portal, marketing and required audit costs, to name but a few. We were fortunate that the federal government made these administrative costs eligible under the CARES Act.

AAEDC believes it is the right entity to administer these grants for Anne Arundel County, but we need the state to cover some of the costs we know are coming to administer the programs.

Please provide a **Favorable Report to SB 740** with the provision of a minimum 5% to cover administrative costs.

Sincerely,

A handwritten signature in black ink, appearing to read "Ben Birge". The signature is fluid and cursive, with a large initial "B" and "B".

Benjamin J. Birge  
President/CEO

## **SB0740--03.16.21 -- COVID Small Business Relief Gr**

Uploaded by: Fry, Donald

Position: FWA



**TESTIMONY PRESENTED TO THE SENATE FINANCE COMMITTEE**

**SENATE BILL 740 – ECONOMIC DEVELOPMENT –  
COVID-19 SMALL BUSINESS GRANT PROGRAM  
(COVID-19 CRISIS SMALL BUSINESS SURVIVAL PROGRAM ACT OF 2021)**

**Sponsor – Senator Rosapepe**

**March 16, 2021**

**DONALD C. FRY  
PRESIDENT & CEO  
GREATER BALTIMORE COMMITTEE**

**Position: Support**

The Greater Baltimore Committee (GBC) supports Senate Bill 740, which would create a COVID-19 Small Business Grant Program to assist small businesses as they strive to remain viable. The program would provide \$100 million in funds for counties to distribute to struggling small businesses which are independently owned and operated, not a subsidiary of another entity, has employed fewer than 50 full-time equivalent employees in 2019, and have experienced at least a 25% reduction in gross receipts due to the COVID-10 pandemic. Counties would receive a proportional share of grant funding based on population, and would be permitted to establish eligibility and grant requirements, grant amounts, and purposes for which the grants can be used.

The GBC has been actively involved in supporting businesses as they weather the ill effects of the pandemic, restrictions limiting their business operations, and the resulting negative economic impact on business. To address the challenges and to help businesses recover, the Greater Baltimore Committee created the GBC COVID-19 Business Recovery Advisory Council. The advisory council, comprised of business executives of Baltimore regional businesses, was formed to provide assistance, create programs, and make policy recommendations to benefit small and minority-owned businesses.

One of the advisory council's major recommendations identified the importance of promoting and supporting efforts to increase access to capital for small and minority-owned businesses, including both traditional and non-traditional capital sources. Senate Bill 740 would provide small business owners with access to operating capital during a very difficult business cycle.

Senate Bill 740 is also consistent with the GBC's *2021 Legislative Priorities*, which calls for policy, funding, and regulatory solutions to accelerate economic recovery with an emphasis on support to small and minority-owned businesses. The creation of this grant program will provide much needed assistance to small businesses to recover from the negative economic impact brought by the coronavirus pandemic and keep countless small businesses viable.

**For these reasons, the Greater Baltimore Committee urges a favorable report on Senate Bill 740.**

*The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 66-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.*

**GREATER BALTIMORE COMMITTEE**

111 South Calvert Street • Suite 1700 • Baltimore, Maryland • 21202-6180

(410) 727-2820 • [www.gbc.org](http://www.gbc.org)



# **SB 740 COVID-19 Small Business Grant Program (Rosa**

Uploaded by: Wilkins, Barbara

Position: INFO

LARRY HOGAN  
Governor

BOYD K. RUTHERFORD  
Lieutenant Governor



DAVID R. BRINKLEY  
Secretary

MARC L. NICOLE  
Deputy Secretary

## **SENATE BILL 740 Economic Development – COVID–19 Small Business Grant Program (COVID–19 Crisis Small Business Survival Program Act of 2021) Emergency Bill (Rosapepe)**

### **STATEMENT OF INFORMATION**

**DATE: March 16, 2021**

**COMMITTEE: Senate Finance and Senate Budget & Taxation**

**SUMMARY OF BILL:** SB 740 establishes the Maryland COVID-19 Small Business Grant Program in the Department of Commerce, the purpose of which is to provide grant funds to local governments to issue emergency relief funding during calendar years 2021 and 2022 to businesses (that employ 50 or fewer employees) located in the county that have experienced at least a 25% reduction in gross receipts during the COVID pandemic. The bill expresses leg intent that \$100 million in federal and State COVID relief funds be allocated to the Program. The Department of Commerce shall distribute funds to each county on a pro rata basis. The counties establish the eligibility and application procedures. Commerce reports to the General Assembly by March 31, 2021 on the counties' criteria and the amount of grants to be awarded to businesses by the counties. Quarterly reports are due, beginning June 1, 2021 on funding sources for the Program, disbursements made, the industry sectors and demographic information of small business entities that received assistance.

**EXPLANATION:** The enactment of SB 496 RELIEF Act provides the following business assistance: (1) \$10 million for \$9,000 grants to businesses that do not engage in a business activity that requires the business to collect sales and use tax and can demonstrate a need for assistance; (2) \$22 million for \$12,000 grants to businesses that are Restaurants and Other Eating Places and can demonstrate a need for assistance; (3) \$10 million for \$25,000 grants to businesses that are Hotels (except Casino Hotels) and Motels or Bed-and-Breakfast Inns and (i) if a part of a franchise with multiple locations of businesses, are owned by a local franchisee and (ii) can demonstrate a need for assistance; (4) \$8 million to provide grants to private commuter and shuttle bus operators, including entities that provide commuter and shuttle bus services contractually to government entities and locally operated transit systems, that lost State or local funding as a result of the COVID-19 pandemic; (5) \$10 million for grants to live entertainment venues or promoters of live performances; (6) \$2 million to help preserve the State's main street economies; and (7) \$500,000 for grants to businesses in distressed communities to assist the businesses in setting up an online sales framework and offering employees telework opportunities. **Total \$62.5 million**

Previously, the Coronavirus Relief Fund Maryland has provided: \$189 million in business relief through the Department of Commerce, \$7 million for the Layoff Aversion Program; \$41 million through the Department of Housing and Community Development for a non-profit recovery initiative; and \$8.2 million for agriculture through MARBIDCO. **Total \$245.2 million**

The \$250 million withdrawn from the Rainy Day Fund provided \$190 million to provide relief to businesses through Commerce and another \$5 million to Commerce. **Total \$195 million**

Through the CARES Act, Federal Fund Information for States (FFIS) estimates that the State received almost \$29 billion through the Paycheck Protection Program, UI assistance, and direct payments to health providers.

The COVID-19 Relief Act passed by Congress in December 2020, according to FFIS, could provide Maryland another **\$7.1 billion** in business assistance.

It is incumbent upon us to allow the impact of this unprecedented relief package on the State's economy to take effect. The Administration continues to evaluate the myriad of impacts associated with the ongoing pandemic and are sensitive to the need for a rapid economic recovery.

**For additional information, contact Barbara Wilkins at  
(410) 260-6371 or [barbara.wilkins1@maryland.gov](mailto:barbara.wilkins1@maryland.gov)**