

March 11, 2021

House Bill 1303

Small, Minority, and Women-Owned Business Financial Assistance - Use of Funds

House Ways & Means Committee

Anne Arundel County **SUPPORTS** House Bill 1303 - Small, Minority, and Women-Owned Business Financial Assistance - Use of Funds. This Bill would require a state agency administering a financial assistance program during a natural disaster or public health emergency to conditionally allow small, minority, and women-owned businesses, that are not in good standing with the State Department of Assessments and Taxation (“SDAT”), to participate in the program and receive assistance at a reduced amount, provided such a business can show that it was operating during the time applicable to the assistance program.

This Bill provides an additional level of support to those businesses that struggle most during natural disasters and public health emergencies. The COVID-19 pandemic has hit these businesses hardest. A December 2020 survey conducted by the U.S. Chamber of Commerce found that 83% of minority-owned small businesses reported more federal small business relief funds were important, versus 71% of non-minority-owned small businesses. Further, 41% of minority-owned small businesses are very concerned about the impact of the pandemic on their small business compared to 31% of non-minority-owned businesses who said the same.¹ Another study noted that 40% of African-American business owners either closed their businesses or were close to doing so in the first three months of the pandemic. Latinx business owners were almost as high at 34%, and women-owned businesses were struggling at a 32% rate.² This Bill provides an additional layer of support and prevents those businesses struggling most from being completely cut off from state-level assistance programs during natural disasters and public health emergencies that threaten the survival of a business.

Accordingly, Anne Arundel County requests a **FAVORABLE** report on House Bill 1303.

¹ *Small Business Owners Still Feel Pain of Pandemic and Fear More to Come* U.S. Chamber of Commerce, Dec. 15, 2020. Available at: <https://www.uschamber.com/press-release/small-business-owners-still-feel-pain-of-pandemic-and-fear-more-come>. Last accessed March 9, 2021.

² *The Impact of Covid-19 on Small Business Owners: Evidence of Early Stage Losses from the April 2020 Current Population Survey*, Robert Fairlie & Nat'l Bureau of Econ. Research. May 2020. Available at: <https://siepr.stanford.edu/sites/default/files/publications/20-022.pdf>. Last accessed March 9, 2021.