

HB 1014 - SBDC Written Submission (1).pdf

Uploaded by: Brown, Lora

Position: FAV



Lead Center
7761 Diamondback Drive
College Park, MD 20742

MEMORANDUM

TO: Senate Committee on Budget and Taxation
Senator Guy Guzzone, Chair
Senator Jim Rosapepe, Vice Chair

House of Delegates Committee on Ways and Means
Delegate Anne Kaiser, Chair
Delegate Alonzo Washington, Vice Chair

FROM: Paul Bardack
Executive Director, Maryland Small Business Development Center

Lora Brown
Deputy Director, Maryland Small Business Development Center

DATE: February 19, 2021

SUBJECT: Small Business COVID-19 Relief Act of 2021
SB 772 (Senator Katie Hester) – **FAVORABLE**
HB 1014 (Delegate Lily Qi) – **FAVORABLE**

The Maryland Small Business Development Center (SBDC), whose staff has served entrepreneurs in every county and municipality of our state for more than thirty years, provides consulting services to owners of established small companies and to prospective entrepreneurs at no cost to those businesspeople. We also provide group training to current and future business owners wishing to hone their skills on matters both basic (*e.g.*, how to prepare a rudimentary business plan) and advanced (*e.g.*, various methodologies for determining return on investment).

In the last calendar year alone, 2020, your SBDC served over 9,000 clients: 3,716 through ongoing, often long term, one-on-one management, financial, marketing, and other consulting engagements; and 6,631 through our various group training programs. We helped those clients raise more than \$148.5 million in new capital, to help them stabilize their operations and, indeed, to help their companies grow during these unprecedentedly rough economic times. We supported the jobs of 53,731 Maryland workers,

ensuring that those workers would continue to contribute to the economic health of our state. And, despite the economic despair felt by so many of your constituents, last year we even helped launch some 267 Maryland startups who believe – as do we – that Maryland’s best economic days still lie ahead of us.

No wonder, then, that working through our offices at the University of Maryland - College Park (where our statewide network is headquartered), Salisbury University, Frostburg State University, Harford Community College, and the College of Southern Maryland – and in partnership with Morgan State University and Bowie State University – our statewide network has played a major role helping our small business sector grow during the good times and helping them overcome their harshest challenges during the bad times. And as a 2019 study by the Towson University Regional Economic Studies Institute noted, every dollar invested by the state in its SBDC generates roughly \$19 in new state and local business and employee taxes ... a 19:1 return on the state’s investment.

As we gather today to consider the Small Business COVID-19 Relief Act of 2021, introduced in the Senate by Senator Hester (SB 772) and in the House by Delegate Qi (HB 1014), our state’s small business owners are facing far different and more difficult challenges than they have ever faced before. Because when the COVID-19 pandemic struck Maryland in early 2020, our state’s small business sector was left reeling. Many companies went under, lacking the funding needed to stay afloat. And even many of those able to continue operations saw their revenues decline dramatically, making the continuation of those companies highly uncertain.

And so, as the pandemic worsened, the Maryland SBDC swung into action as never before. In every corner of our state – rural, suburban, and urban – our staff routinely worked twelve, fifteen, even eighteen hours day after day after day, helping business owners one at a time to make it through this bleakest of years. Our staff engaged our minds, suggesting to the merchants with whom we worked new marketing techniques, new ways to shift to eCommerce, and new ways to access the plethora of government funds designed to help those facing difficult circumstances threatening their very survival. The calendar year 2020 accomplishments cited on the previous page speak to the quantifiable, positive impact we have had, and continue to have, in nearly every community in our state during this pandemic. And our staff engaged our hearts, sharing the grief of tearful entrepreneurs whose life’s dreams had come to a crashing end through no fault of their own. The friendships we forged the past year with so many of those we worked with in the trenches speak to the special bond we and our clients often develop.

Those accomplishments, and that professional and personal impact we continue to have throughout the state, are at the heart of the legislation we are here to consider today, the Small Business COVID-19 Relief Act.

Subtitle 10 of this legislation – SB 772 and HB 1014, at Sections 10-1001 through 10-1004 (to which we will confine our remarks) may be summarized fairly readily: a COVID-19 Business Recovery Assistance Program is to be created and administered by the SBDC; the Program is to “provide the state’s business community guidance and resources to recover from the hardships of the Coronavirus pandemic and adapt to a post-pandemic business environment;” those services will be directed to the state’s most

vulnerable, and smallest, companies that have suffered significant revenue losses as a result of the pandemic; the services to be rendered them include providing access to nongovernmental funding, support for pivoting to a post-pandemic business environment, access to accounting, legal, and other needed services, and access to off-the-shelf business software; and the Program will do this, in part, through creation of a COVID-19 Business Recovery Assistance Fund, to be capitalized at \$20 million.

Stated differently, the proposed COVID-19 Business Recovery Assistance Program is designed to empower the SBDC to continue doing exactly what we have been doing and continue to be doing for small business owners throughout the pandemic, and it gives us additional monetary resources to serve even more Maryland companies.

We have learned that the most vulnerable small businesses with which we have been working often need protracted, specialized expertise which we do not currently provide (*e.g.*, accountants, lawyers). The SBDC therefore intends to use the funding, in part, to allow us to provide that often expensive expertise to our clients at no charge to them. For example, while we currently have the capability to work with clients to structure the taxonomy of a new website needed to allow the client to shift to an eCommerce platform, we do not have web designers on staff. We would use funds received under this program, therefore, to fund that needed expertise so that the client doesn't have to. And we would structure these services such that the client would have a choice among different experts we have assembled, to ensure that the expert selected by a client best matches the needs of that client. (Further, we would do so in compliance with University of Maryland and other relevant procurement requirements governing the selection, pricing, and delivery of external expertise.)

And note the multiplier effect: we envision that many of the external experts we would provide would themselves be small businesspersons.

Moreover, we would deploy client managers to ensure the initial vetting of the outside experts we will retain, and to provide ongoing oversight of their work with our clients, to ensure the level of performance envisioned in this legislation. This will ensure that each engagement yields the best possible outcome for our clients.

We therefore support enactment of Subtitle 10 of both SB 772 and HB 1014, for the following reasons:

- The SBDC needs more resources – and precisely the resources delineated in this legislation – to reach more of the state's entrepreneurs who seek our services;
- We are the only statewide organization currently doing for the small business community all that the legislation seeks to have done for them;
- Our ability to work successfully with owners of smaller companies dealing with pandemic related issues has been proven again and again;
- We recently bolstered the number of bilingual consultants and trainers we have on staff, giving us the capability to connect with Spanish speaking entrepreneurs, easily among the hardest hit communities struggling with COVID-19;
- We are currently in the midst of a staff reorganization which will result in a more intensive presence in Baltimore City and County, allowing us to better serve business owners in that historically underserved part of the state;

- Outreach to new clients – especially minority and women business owners – is crucial to this program’s success, and to unleashing the creativity of these entrepreneurs seeking to turn their business dreams into reality. These are leaders of some of the most vulnerable companies in our state, and are often bypassed by government and other economic development programs. Precisely because we already enjoy excellent relationships with an array of state, federal, local, academic, nonprofit, and for-profit economic development organizations throughout Maryland – and already partner with them on various client engagements – we are well positioned to do the additional outreach envisioned by this legislative proposal, to better assist underserved populations and communities to survive the current economic crisis; and to provide them the funds many will need to remain in business and, even, to grow;
- We have an outstanding relationship with the Maryland Department of Commerce, which is given considerable responsibility for other elements of the proposed legislation;
- We are well integrated within the larger body of University System of Maryland economic development programs (*e.g.*, UM Ventures, TechPort, Maryland International Incubator) which could complement the services we would offer under this new program;
- Subtitle 10 is modeled after an earlier state program, the Strategic Assistance Consulting Fund (SACF), with which we have worked ... allowing us, in the administration of the COVID-19 Business Recovery Assistance Program, to build upon prior lessons learned from that earlier program (both positive and negative); and
- We have proven our ability to manage successfully, and in compliance with all relevant government and University of Maryland requirements, the temporary federal CARES Act funds entrusted us to serve populations similar to the ones to be served under this proposed legislation.

As is the case with this legislation, SACF was created during a time of great fiscal stress for our state’s small business owners and, like this proposal, set forth a variety of services to be offered those hard hit entrepreneurs. From our experience working with that program, we well understand (as this legislation requires) the crucial importance of connecting together for the client both the receipt of money or other services of value with ongoing consulting and training. Why? Because just “throwing money at the problem” does nothing to help business owners transform their business models in ways that will increase their chances of long term survival. That was, perhaps, the key lesson learned from the SACF experience which is carried over to the current legislation; and we are pleased to see this key lesson from the earlier program incorporated within this one.

Yet another lesson we learned from our work with SACF is the importance of having enough administrative staff to ensure proper recordkeeping statewide for so large a sudden infusion of funding, yet small enough to ensure that the vast majority of the new funds go toward client services. Our current intention, therefore, is to fund no more than five – and possibly fewer – temporary new administrative positions during the life of the program, to ensure proper recordkeeping and compliance; with the vast majority of the \$20 million of new, and temporary, funds to be used for direct support of our state’s hardest hit entrepreneurs, as the legislation intends, in every section of our state.

Additionally, last year in Prince George’s County we participated in a somewhat similar program, working with the county government and FSC First to provide services similar to the one envisioned in this legislation to companies impacted negatively by construction of the Purple Line. Our staff has learned a number of in-the-weeds lessons through that similar work, and we would bring that knowledge to our management of this proposed program.

Finally, within the past year we already have had to adjust our operations to meet the new demands thrust upon us by the pandemic. This past Summer we received \$3.3 million of federal CARES Act funding, which permitted us – through September 2021, when the temporary funding comes to an end – to hire nearly two dozen temporary staff throughout the state to help thousands more struggling business owners, forcing us to confront a host of logistical, organizational culture, recordkeeping, reporting, compliance and other challenges that came with our receipt of that funding. That is to say: absorption of so much new money, as was the case with our receipt of CARES Act funding and which would be the case were this legislation to be enacted, requires dealing with an extraordinary array of organizational challenges; and we have proven we are up to meeting those challenges.

For these reasons, we support Subtitle 10 of the Small Business COVID-19 Relief Act of 2021 (SB 772, HB 1014). Maryland's beleaguered small business owners desperately need the assistance it would provide, and for the reasons set forth in this testimony the SBDC is uniquely poised to deliver that assistance.

February 18, 2021

Delegate Anne Kaiser
Chair, House Committee on Ways and Means
Room 131
House Office Building
Annapolis, MD 21401

Reference: HB 1014 - Small Business COVID-19 Relief Act of 2021 - **FAVORABLE**

Dear Delegate Kaiser:

My name is Julie Lenzer and I am currently the Chief Innovation Officer at the University of Maryland (UMD). I currently oversee several innovation and entrepreneurship programs at the university, including UM Ventures (technology transfer), TechPort (UAS Incubator in St. Mary's County), and the Maryland Small Business Development Center (SBDC).

I am writing to express UMD's support for the "Small Business COVID-19 Relief Act of 2021," introduced in the House of Delegates by Delegate Lily Qi (HB 1014). My focus is on Subtitle 10 of the Act, "Business Recovery Assistance Program."

The SBDC has emerged as a critical resource in helping Maryland small business owners not just survive but thrive through the pandemic.

In the last year alone, the SBDC staff served more than 9,000 Maryland entrepreneurs in all parts of our state: 3,716 through ongoing, often long term, one-on-one management and financial consulting and 6,631 through its various training programs. Most of their programs are provided at no cost to clients. With the assistance of the SBDC, clients have raised over \$148.5 million in new capital --- both private and governmental - to help them stabilize their hard hit operations. Many, despite the pandemic, have actually seen growth through these turbulent times. Additionally, over the past year, SBDC has supported 53,731 jobs, keeping Maryland workers productively employed and helped entrepreneurs launch 267 startups.

Subtitle 10 confidently builds upon this SBDC record of accomplishment during the pandemic.

This legislation builds on the most important lesson learned by the SBDC during the pandemic: the importance of providing extended support to hard hit companies. Experience has shown that providing money to small businesses without helping them pivot strategically all-too-often results in the company lasting a few more months only to face existential problems again. By requiring the combination of business consulting along with the disbursement of funding, the companies emerge positioned for resiliency and long-term success.

Subtitle 10 COVID-19 Business Recovery Assistance Program also recognizes the expertise within the SBDC to run a program like this, because the SBDC has successfully managed similar programs in the past (*e.g.*, Strategic Assistance Consulting Fund). Housing this program with the



SBDC, within the University of Maryland - College Park, also allows program beneficiaries to take advantage of synergies with the other UMD economic development programs I oversee.

For all these reasons, the University of Maryland enthusiastically supports the legislation offered by Delegate Qi. Maryland's small businesses need this support right now. Having this program operated through Maryland's proven leader in successfully providing a lifeline to our state's most vulnerable entrepreneurs during this pandemic, the SBDC, together with the backing and support from UMD positions this program to bolster our state's economy and become a national model for smart government support for small business.

Please don't hesitate to contact me if you have questions or would like additional information. I can be reached via email at jlenser@umd.edu or via phone at (301) 405-2960. Thank you in advance for your consideration.

Sincerely,

A handwritten signature in blue ink, which appears to read "Julie Lenzer". The signature is fluid and cursive, with the first name "Julie" and last name "Lenzer" clearly distinguishable.

Julie Lenzer
Chief Innovation Officer

Valleywood Industries Inc.

February 16, 2021

Dear Senator Hester and Delegate Qi:

My name is Charles Walcutt, owner of Valleywood Industries Inc., a leading Baltimore area remanufacturer of wooden pallets and recycler of wood products, located at 6517 Landay Avenue, Baltimore, Maryland. I am a blind business owner and i'm writing in support of SB772/HB1014, the Small Business Covid-19 Relief Act of 2021.

In 2009, my company received a Strategic Assistance Consulting Fund (SACF) grant to provide much needed accounting assistance to the company. In 2009 and for several years prior, the company was seriously underperforming financially and it was apparent that something was wrong. SBDC Consultant Craig Panos analyzed the situation and processed my SACF grant application that allowed accountant Darlene Adams to conduct an audit of my business operations. Ms. Adams' audit revealed serious irregularities in the manner in which the production staff had been reporting the number of pallets produced. Additionally, Ms. Adams provided us with some basic cost accounting methods which gave us the tools to better understand of our basic costs. Once we followed the control measures from the audit our financial results turned around very significantly. We began to show substantial profits that we had not experienced before, and which continue today. We are now in our 45th year, are the oldest wood recycler in Maryland, and have enjoyed a 15% increase in revenues during 2020 over the prior year.

I believe that this grant contributed substantially to our continued success.

The SACF grant enabled Valleywood to turn around its financial results in 2009, during a serious economic slowdown, and so I am confident that SB772/HB1014 can similarly provide much needed help to other businesses who are struggling to survive the current pandemic business conditions.

Yours truly,



Charles Walcutt, Owner
Valleywood Industries Inc.

6517 Landay Avenue, Baltimore, Maryland 21237

GCCC Testimony HB 1014 Sm Biz Relief Act 2-25-2021

Uploaded by: Christian, Nicole

Position: FAV



Testimony offered on behalf of:
THE GARRETT COUNTY CHAMBER OF COMMERCE

FAVORABLE:
HB 1014 – Small Business COVID–19 Relief Act of 2021

Ways & Means Committee
February 24, 2021

On behalf of the Garrett County Chamber of Commerce, representing 600 member organizations in Western Maryland, I write to express our support of **HB 1014 – Small Business COVID–19 Relief Act of 2021**.

Small businesses have been decimated by the pandemic and are struggling just to keep their doors open. The Comptroller's office has estimated that approximately 30,000 businesses have either closed or will close permanently.

The Small Business COVID-19 Relief Act of 2021 will provide much needed assistance to our smallest businesses in the State by creating both an emergency loan fund and an emergency grant program. The loan fund would only be available to businesses with 50 or less employees and businesses with no more than 15 employees would be eligible for the grant program. In both instances, businesses would have to have suffered a 25% loss in revenues for a set time frame during the pandemic.

Both of these programs are desperately needed to save our small businesses.

The Chamber respectfully requests a **FAVORABLE REPORT on HB 1014**.

Sincerely,

Nicole Christian, CCE, IOMM

Nicole Christian, CCE, IOMM

President & CEO

Garrett County Chamber of Commerce, Inc.

(301) 387-8745 office

(301) 616-0396 mobile

nicole@garrettchamber.com



HB 1014_MAA_FAV.pdf

Uploaded by: Clark, Rachel

Position: FAV

CHAIRMAN:
Brian Russell
VICE CHAIRMAN
Jeff Graf



SECRETARY:
Curtis Hall
TREASURER:
David Slaughter
PRESIDENT:
G. Marshall Klinefelter

February 25th, 2021

Delegate Anne Kaiser, Chair
Ways and Means Committee
131 House Office Building
Annapolis, MD 21401

RE: HB 1014 – FAVORABLE – Small Business COVID-19 Relief Act of 2021

Dear Chair Kaiser and Members of the Ways and Means Committee:

The Maryland Asphalt Association is comprised of 18 producer members representing more than 48 production facilities, 20 contractor members, 24 consulting engineer firms and 40 other associate members. Combined our members employ more than 4,000 Marylanders in our operations. We assist with the education of our workforce, sponsor safety activities and promote best practices while working diligently to produce the highest performing pavement materials with the lowest carbon footprint. We proactively work with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

HB 1014 would provide economic relief to so many businesses that are currently struggling to stay afloat during these trying times. In order to maintain a healthy network of small businesses in the State of Maryland, it is crucial that you pass this bill. The transportation industry is the lifeblood of our economy, but even we are struggling to keep up with the detrimental economic effects of the COVID-19 pandemic. The needs of our members and industry are great, and this bill would help us address those needs in an efficient manner. We cannot stress enough the importance of this bill and the positive impact it would have on the citizens of Maryland. For these reasons, we urge you to support this legislation.

We thank you for your time and consideration and ask for a FAVORABLE report on HB 1014.

Thank you,

A handwritten signature in cursive script, reading "Marshall Klinefelter", written in dark ink.

Marshall Klinefelter
President
Maryland Asphalt Association

HB 1014_MTBMA_FAV.pdf

Uploaded by: Clark, Rachel

Position: FAV



MTBMA
MARYLAND TRANSPORTATION BUILDERS
AND MATERIALS ASSOCIATION

February 25th, 2021

Delegate Anne Kaiser, Chair
Ways and Means Committee
131 House Office Building
Annapolis, MD 21401

RE: HB 1014 – FAVORABLE – Small Business COVID-19 Relief Act of 2021

Dear Chair Kaiser and Members of the Ways and Means Committee:

The Maryland Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials.

HB 1014 would provide economic relief to so many businesses that are currently struggling to stay afloat during these trying times. In order to maintain a healthy network of small businesses in the State of Maryland, it is crucial that you pass this bill. The transportation industry is the lifeblood of our economy, but even we are struggling to keep up with the detrimental economic effects of the COVID-19 pandemic. The needs of our members and industry are great, and this bill would help us address those needs in an efficient manner. We cannot stress enough the importance of this bill and the positive impact it would have on the citizens of Maryland. For these reasons, we urge you to support this legislation.

We thank you for your time and consideration and ask for a FAVORABLE report on HB 1014.

Thank you,

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association

HB-1014 2-25-21 Final Written.pdf

Uploaded by: Hancock, Rebecca

Position: FAV



Testimony Concerning HB 1014 - Small Business

COVID-19 Relief Act of 2021

Submitted to House Ways and Means Committee

February 25, 2021

Position: Support

The Maryland State Family Child Care Association (MSFCCA) is a non-profit association advocating on behalf of approximately 4700+ registered family child care providers and 140 large family child care homes in Maryland. These small businesses are a vital part of the child care delivery system in Maryland and a significant portion of the child care programs that opened to Essential Personnel during the COVID-19 Pandemic. As a workforce, our members normally care for approximately 50% of all children in Maryland under the age of two and typically work alone in mixed-age group settings in our home.

As the association representing registered family child care in Maryland, we have watched our members struggle to make ends meet during the pandemic, which drives us to continue advocating for all programs and legislation that will support this very important industry. All family child care programs were directed to close at the beginning of the Pandemic. When given direction by the Maryland State Department of Education (MSDE), many reopened to serve essential workers. This was good news for families, however the reduced enrollments and stringent safety protocols were the new normal, and many providers are still struggling daily to pay themselves and/or staff as well as their rent/mortgage, utilities, food and all other necessary business expenses. The ongoing purchase of Personal Protective Equipment (PPE) and other COVID related supplies also adds to the program's operating expenses. The daily threat of a positive diagnosis will mean closing again, a deep cleaning and a lengthy quarantine with no tuition until re-opening.

COVID has widely impacted child care enrollment across the state. Parents who are unemployed or working from home no longer need or can afford child care and these small programs have

had to absorb that loss and try to stay afloat with less income and increased costs. Some programs are caring for school-age children and are overseeing their Virtual Learning while school buildings in some Counties remain closed. This has helped some programs, but for those with children enrolled in the Maryland Scholarship Program it has proven to be a dilemma, since they are caring for children all-day but only paid for before-and-after care due to a lack of Scholarship funding.

There are some family child care programs that remained closed in the beginning of the pandemic due to the fear of transmission and have now chosen to close permanently. Still others closed with the intent of reopening when it became safe. Whatever the decision for each program, there is no doubt that most have taken a financial hit that has been devastating to their business, and it will likely take years for the child care community to recover.

HB 1014 is a positive step that could help reestablish new or strengthen existing quality child care programs, especially in areas of high-poverty or child care deserts. This bill would provide working capital to these small businesses to help them recover. Family child care is traditionally made up of women and minorities who in many cases are single family households. HB 1014 would help these providers be better equipped to financially support their families and strengthen the Maryland Economy.

Maryland is recognized as a national leader in early care and education policy and giving HB 1014 a favorable vote will begin the process of saving an industry that is vitally important to our future, our families and our economy. MSFCCA appreciates the opportunity to weigh in on this legislation. Feel free to contact Rebecca Hancock, the MSFCCA Vice President of Public Policy at 240-299-0222 (cell) or 301-934-4445 (Home) to answer any questions concerning this testimony.

hb1014test.pdf

Uploaded by: Jackson, Marcus

Position: FAV



The Voice of Merit Construction

February 25, 2021

Mike Henderson

*President
Greater Baltimore Chapter
mhenderson@abcbaltimore.org*

Chris Garvey

*President & CEO
Chesapeake Shores Chapter
cgarvey@abc-chesapeake.org*

Debra D. Livingston CAE

*President & CEO
Metro Washington Chapter
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Amos McCoy

*President & CEO
Cumberland Valley Chapter
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Mark McDaniel

*Chairman
Joint Legislative Committee
mmcdaniel@nlpentinc.com*

Marcus Jackson

*Director of Government Affairs
Metro Washington Chapter
mjackson@abcmetrowashington.org*

*Additional representation by:
Harris Jones & Malone, LLC*

6901 Muirkirk Meadows Drive
Suite F
Beltsville, MD 20705
(T) (301) 595-9711
(F) (301) 595-9718

TO: WAYS AND MEANS COMMITTEE
FROM: ASSOCIATED BUILDERS AND CONTRACTORS
RE: H.B. 1014 – SMALL BUSINESS COVID-19 RELIEF ACT OF 2021
POSITION: SUPPORT

Associated Builders and Contractors (ABC) SUPPORT H.B. 1014 which is before you today for consideration. This bill would establish the Maryland COVID-19 Emergency Loan Program in the Department of Commerce to provide working capital to assist Maryland for-profit small businesses, the operators of which have been disrupted due to COVID-19.

The majority of the state's construction sector is made up of small businesses. This legislation would create a critical lifeline for many of our member construction companies as they work hard to maintain their businesses, keep employees on payroll and provide paid leave and essential health benefits to those affected by COVID-19.

The loan program will be an interest-free for at least the first 12 months of the term of the loan. In addition, a loan issued under the program may be utilized for working capital to support payroll expenses, rent or mortgage expenses, utilities expenses, or other similar expenses that occur in the ordinary course of operation.

ABC is dedicated to continuing to work with our lawmakers to ensure a strong economy and safe and healthy workplaces for the construction industry. On behalf of the over 1,500 ABC business members in Maryland, we respectfully request an favorable report on H.B. 1014.

Marcus Jackson, Director
Government Affairs

GR 21 - HB 1014 - Small Business COVID-19 Relief A

Uploaded by: Lehman, Mindy

Position: FAV



HB 1014 – Small Business COVID-19 Relief Act of 2021

**House Ways and Means Committee
February 25, 2021**

Support

The Maryland Bankers Association represents FDIC-insured community, regional and nation-wide banks that employ more than 26,000 Marylanders and have over 1,400 branches across our State. The Maryland banking industry serves about 6 million customers across the State and provides an array of financial services including business lending, residential mortgage lending, business banking, estates and trust services, consumer banking and more.

HB 1014 would establish the Maryland COVID-19 Emergency Loan Program in the Department of Commerce to provide working capital to assist Maryland for-profit small businesses, disrupted due to COVID-19, and offer interim relief “complementing actions with those of businesses’ banks, business interruption insurance, and financial partners.” Maryland banks stand by their clients and communities and are committed to serving as a source of strength and stability, especially during times of need, such as the pandemic. Over the past year, MBA member banks, serving as economic first responders, immediately jumped into action to respond to the needs of homeowners, small businesses, customers and communities. MBA supports HB 1014, which will provide additional, important relief to Maryland small businesses and nonprofits that continue to struggle during the pandemic.

MBA and MBA’s member banks have been actively involved in a variety of ways working with a number of stakeholders, including the U.S. Treasury, the Small Business Administration, federal agencies and banking regulators, Community Development Financial Institutions, business groups and more to help customers and business clients meet their current and financial developing needs. For example, in round one of the federal Paycheck Protection Program, a brand new small business grant program created by the Federal CARES package, Maryland banks immediately rolled up their sleeves to work round the clock with the Small Business Administration, Treasury and Maryland small businesses. The result – by August 8, small businesses and nonprofits, across Maryland, received over 86,000 forgivable loans totaling more than \$10 billion. Maryland banks deployed almost 90% of the PPP loans. These loans helped support more than 950,000 in Maryland and helped sustain the State's businesses and nonprofits. And this support and commitment from Maryland banks remains strong. In the first two weeks of PPP round two, 14,645 PPP round two loans have been made in Maryland worth \$1.45 billion. This is just one example of the ways Maryland banks are working to support small businesses, help the economy and support Maryland jobs and employment.

Maryland banks are hard at work helping Maryland businesses and nonprofits experiencing financial difficulty. MBA supports HB 1014 that will create additional tools to help Maryland small businesses and nonprofits through these challenging times. MBA urges a favorable Committee Report.

NFIB -Small Business COVID-19 Relief Act - HB1014

Uploaded by: O'Halloran, Mike

Position: FAV



NFIB-Maryland – 60 West St., Suite 101 – Annapolis, MD 21401 – www.NFIB.com/Maryland

TO: House Ways and Means Committee

FROM: NFIB – Maryland

DATE: February 25, 2021

RE: **SUPPORT HOUSE BILL 1014** – Small Business COVID-19 Relief Act of 2021

Founded in 1943, NFIB is the voice of small business, advocating on behalf of America's small and independent business owners, both in Washington, D.C., and in all 50 state capitals. With more than 250,000 members nationwide, and nearly 4,000 here in Maryland, we work to protect and promote the ability of our members to grow and operate their business.

On behalf of Maryland's small businesses, NFIB supports House Bill 1014 – emergency legislation directing \$60 million of federal financial assistance towards loan, grant, and programming focused on assisting small businesses recover from the COVID-19 pandemic.

Maryland's small businesses are facing an unprecedented economic crisis because of COVID-19. March 5, 2021 will be one year since Governor Hogan declared a state of emergency in response to the pandemic. Since then, thousands of small businesses were forced to close their doors, restrict their capacity, and let go employees. But during that time, the State has also provided critical financial assistance to these same businesses. Over \$500 million in emergency economic relief has made its way to help Maryland's job creators stay afloat. This relief, along with various county and local programs, have provided a much-needed lifeline to small businesses.

House Bill 1014 will continue efforts to reignite Maryland's economy. The grants provided for in HB1014 will allow small businesses to put that money towards hiring back workers, increasing stock, and upgrading their facilities to provide the safest workspaces possible for employees and customers alike. House Bill 1014 also establishes a loan program giving small businesses access to capital for rent or mortgage expenses, utility bills, and other operating costs.

Finally, HB1014 provides much needed tax relief for small business owners on their personal income returns.

HB1014

With only four percent of small business owners reporting they are back to pre-COVID conditions and one-in-four owners saying they will have to close their doors for good if economic conditions don't improve soonⁱ, now is the time to pass HB1014. Maryland small businesses employ half of our state's labor force but have felt an outsized impact of the pandemic. We encourage the General Assembly to consider this as they look for ways to help Marylanders recover from the effects of the COVID-19 pandemic.

For these reasons, **NFIB supports HB1014** and request a favorable report.

ⁱ Source: NFIB Research Center - <https://www.nfib.com/content/press-release/coronavirus/one-in-four-small-business-owners-will-close-doors-if-economic-conditions-dont-improve-soon/>

HB1014:SB772 - ECP LETTER OF SUPPORT.pdf

Uploaded by: Pineda, Christopher

Position: FAV



February 23rd, 2021

Christopher Pineda
Ellicott City Partnership
8321 Main Street
Ellicott City, MD 21043

Re: HB1014 – Small Business COVID-19 Relief Act of 2021

Chairwoman Kaiser, Vice Chair Washington, and members of the House Ways and Means Committee:

On behalf of the Ellicott City Partnership and the over 100 businesses that we represent in our Maryland Main Street community, we voice our support of House Bill 1014 - the Small Business COVID-19 Relief Act of 2021.

This program, after passage of this bill, would be of great interest to our small businesses. Many of our small businesses have been heavily impacted by the disruption the pandemic has created and have seen a reduction in their revenues. We believe that the Small Business COVID-19 Relief Act of 2021 will ensure economic support for our small businesses. Our businesses will be able to take advantage of loan opportunities to finance their expenditures and be able to apply for grants administered by the local government to assist them with the disruption caused by the pandemic.

These financial opportunities will help in our Maryland Main Street communities, who are small Mom & Pop shops with limited employees, to continue in our district. We understand that this directly ties into the small business community by focusing on the smaller entrepreneurs and limiting the cap to those with upwards to 50 employees.

We are respectfully requesting a favorable report from the committee to ensure that our businesses are supported throughout our recovery from the pandemic, and that they're able to use this opportunity to remain open and successful.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Chris Pineda', with a stylized flourish at the end.

Christopher Pineda, MBA
Executive Director
Ellicott City Partnership

HB 1014 - SBDC Written Submission.pdf

Uploaded by: Qi, Lily

Position: FAV



Lead Center
7761 Diamondback Drive
College Park, MD 20742

MEMORANDUM

TO: Senate Committee on Budget and Taxation
Senator Guy Guzzone, Chair
Senator Jim Rosapepe, Vice Chair

House of Delegates Committee on Ways and Means
Delegate Anne Kaiser, Chair
Delegate Alonzo Washington, Vice Chair

FROM: Paul Bardack
Executive Director, Maryland Small Business Development Center

Lora Brown
Deputy Director, Maryland Small Business Development Center

DATE: February 19, 2021

SUBJECT: Small Business COVID-19 Relief Act of 2021
SB 772 (Senator Katie Hester) – **FAVORABLE**
HB 1014 (Delegate Lily Qi) – **FAVORABLE**

The Maryland Small Business Development Center (SBDC), whose staff has served entrepreneurs in every county and municipality of our state for more than thirty years, provides consulting services to owners of established small companies and to prospective entrepreneurs at no cost to those businesspeople. We also provide group training to current and future business owners wishing to hone their skills on matters both basic (*e.g.*, how to prepare a rudimentary business plan) and advanced (*e.g.*, various methodologies for determining return on investment).

In the last calendar year alone, 2020, your SBDC served over 9,000 clients: 3,716 through ongoing, often long term, one-on-one management, financial, marketing, and other consulting engagements; and 6,631 through our various group training programs. We helped those clients raise more than \$148.5 million in new capital, to help them stabilize their operations and, indeed, to help their companies grow during these unprecedentedly rough economic times. We supported the jobs of 53,731 Maryland workers,

ensuring that those workers would continue to contribute to the economic health of our state. And, despite the economic despair felt by so many of your constituents, last year we even helped launch some 267 Maryland startups who believe – as do we – that Maryland’s best economic days still lie ahead of us.

No wonder, then, that working through our offices at the University of Maryland - College Park (where our statewide network is headquartered), Salisbury University, Frostburg State University, Harford Community College, and the College of Southern Maryland – and in partnership with Morgan State University and Bowie State University – our statewide network has played a major role helping our small business sector grow during the good times and helping them overcome their harshest challenges during the bad times. And as a 2019 study by the Towson University Regional Economic Studies Institute noted, every dollar invested by the state in its SBDC generates roughly \$19 in new state and local business and employee taxes ... a 19:1 return on the state’s investment.

As we gather today to consider the Small Business COVID-19 Relief Act of 2021, introduced in the Senate by Senator Hester (SB 772) and in the House by Delegate Qi (HB 1014), our state’s small business owners are facing far different and more difficult challenges than they have ever faced before. Because when the COVID-19 pandemic struck Maryland in early 2020, our state’s small business sector was left reeling. Many companies went under, lacking the funding needed to stay afloat. And even many of those able to continue operations saw their revenues decline dramatically, making the continuation of those companies highly uncertain.

And so, as the pandemic worsened, the Maryland SBDC swung into action as never before. In every corner of our state – rural, suburban, and urban – our staff routinely worked twelve, fifteen, even eighteen hours day after day after day, helping business owners one at a time to make it through this bleakest of years. Our staff engaged our minds, suggesting to the merchants with whom we worked new marketing techniques, new ways to shift to eCommerce, and new ways to access the plethora of government funds designed to help those facing difficult circumstances threatening their very survival. The calendar year 2020 accomplishments cited on the previous page speak to the quantifiable, positive impact we have had, and continue to have, in nearly every community in our state during this pandemic. And our staff engaged our hearts, sharing the grief of tearful entrepreneurs whose life’s dreams had come to a crashing end through no fault of their own. The friendships we forged the past year with so many of those we worked with in the trenches speak to the special bond we and our clients often develop.

Those accomplishments, and that professional and personal impact we continue to have throughout the state, are at the heart of the legislation we are here to consider today, the Small Business COVID-19 Relief Act.

Subtitle 10 of this legislation – SB 772 and HB 1014, at Sections 10-1001 through 10-1004 (to which we will confine our remarks) may be summarized fairly readily: a COVID-19 Business Recovery Assistance Program is to be created and administered by the SBDC; the Program is to “provide the state’s business community guidance and resources to recover from the hardships of the Coronavirus pandemic and adapt to a post-pandemic business environment;” those services will be directed to the state’s most

vulnerable, and smallest, companies that have suffered significant revenue losses as a result of the pandemic; the services to be rendered them include providing access to nongovernmental funding, support for pivoting to a post-pandemic business environment, access to accounting, legal, and other needed services, and access to off-the-shelf business software; and the Program will do this, in part, through creation of a COVID-19 Business Recovery Assistance Fund, to be capitalized at \$20 million.

Stated differently, the proposed COVID-19 Business Recovery Assistance Program is designed to empower the SBDC to continue doing exactly what we have been doing and continue to be doing for small business owners throughout the pandemic, and it gives us additional monetary resources to serve even more Maryland companies.

We have learned that the most vulnerable small businesses with which we have been working often need protracted, specialized expertise which we do not currently provide (*e.g.*, accountants, lawyers). The SBDC therefore intends to use the funding, in part, to allow us to provide that often expensive expertise to our clients at no charge to them. For example, while we currently have the capability to work with clients to structure the taxonomy of a new website needed to allow the client to shift to an eCommerce platform, we do not have web designers on staff. We would use funds received under this program, therefore, to fund that needed expertise so that the client doesn't have to. And we would structure these services such that the client would have a choice among different experts we have assembled, to ensure that the expert selected by a client best matches the needs of that client. (Further, we would do so in compliance with University of Maryland and other relevant procurement requirements governing the selection, pricing, and delivery of external expertise.)

And note the multiplier effect: we envision that many of the external experts we would provide would themselves be small businesspersons.

Moreover, we would deploy client managers to ensure the initial vetting of the outside experts we will retain, and to provide ongoing oversight of their work with our clients, to ensure the level of performance envisioned in this legislation. This will ensure that each engagement yields the best possible outcome for our clients.

We therefore support enactment of Subtitle 10 of both SB 772 and HB 1014, for the following reasons:

- The SBDC needs more resources – and precisely the resources delineated in this legislation – to reach more of the state's entrepreneurs who seek our services;
- We are the only statewide organization currently doing for the small business community all that the legislation seeks to have done for them;
- Our ability to work successfully with owners of smaller companies dealing with pandemic related issues has been proven again and again;
- We recently bolstered the number of bilingual consultants and trainers we have on staff, giving us the capability to connect with Spanish speaking entrepreneurs, easily among the hardest hit communities struggling with COVID-19;
- We are currently in the midst of a staff reorganization which will result in a more intensive presence in Baltimore City and County, allowing us to better serve business owners in that historically underserved part of the state;

- Outreach to new clients – especially minority and women business owners – is crucial to this program’s success, and to unleashing the creativity of these entrepreneurs seeking to turn their business dreams into reality. These are leaders of some of the most vulnerable companies in our state, and are often bypassed by government and other economic development programs. Precisely because we already enjoy excellent relationships with an array of state, federal, local, academic, nonprofit, and for-profit economic development organizations throughout Maryland – and already partner with them on various client engagements – we are well positioned to do the additional outreach envisioned by this legislative proposal, to better assist underserved populations and communities to survive the current economic crisis; and to provide them the funds many will need to remain in business and, even, to grow;
- We have an outstanding relationship with the Maryland Department of Commerce, which is given considerable responsibility for other elements of the proposed legislation;
- We are well integrated within the larger body of University System of Maryland economic development programs (*e.g.*, UM Ventures, TechPort, Maryland International Incubator) which could complement the services we would offer under this new program;
- Subtitle 10 is modeled after an earlier state program, the Strategic Assistance Consulting Fund (SACF), with which we have worked ... allowing us, in the administration of the COVID-19 Business Recovery Assistance Program, to build upon prior lessons learned from that earlier program (both positive and negative); and
- We have proven our ability to manage successfully, and in compliance with all relevant government and University of Maryland requirements, the temporary federal CARES Act funds entrusted us to serve populations similar to the ones to be served under this proposed legislation.

As is the case with this legislation, SACF was created during a time of great fiscal stress for our state’s small business owners and, like this proposal, set forth a variety of services to be offered those hard hit entrepreneurs. From our experience working with that program, we well understand (as this legislation requires) the crucial importance of connecting together for the client both the receipt of money or other services of value with ongoing consulting and training. Why? Because just “throwing money at the problem” does nothing to help business owners transform their business models in ways that will increase their chances of long term survival. That was, perhaps, the key lesson learned from the SACF experience which is carried over to the current legislation; and we are pleased to see this key lesson from the earlier program incorporated within this one.

Yet another lesson we learned from our work with SACF is the importance of having enough administrative staff to ensure proper recordkeeping statewide for so large a sudden infusion of funding, yet small enough to ensure that the vast majority of the new funds go toward client services. Our current intention, therefore, is to fund no more than five – and possibly fewer – temporary new administrative positions during the life of the program, to ensure proper recordkeeping and compliance; with the vast majority of the \$20 million of new, and temporary, funds to be used for direct support of our state’s hardest hit entrepreneurs, as the legislation intends, in every section of our state.

Additionally, last year in Prince George’s County we participated in a somewhat similar program, working with the county government and FSC First to provide services similar to the one envisioned in this legislation to companies impacted negatively by construction of the Purple Line. Our staff has learned a number of in-the-weeds lessons through that similar work, and we would bring that knowledge to our management of this proposed program.

Finally, within the past year we already have had to adjust our operations to meet the new demands thrust upon us by the pandemic. This past Summer we received \$3.3 million of federal CARES Act funding, which permitted us – through September 2021, when the temporary funding comes to an end – to hire nearly two dozen temporary staff throughout the state to help thousands more struggling business owners, forcing us to confront a host of logistical, organizational culture, recordkeeping, reporting, compliance and other challenges that came with our receipt of that funding. That is to say: absorption of so much new money, as was the case with our receipt of CARES Act funding and which would be the case were this legislation to be enacted, requires dealing with an extraordinary array of organizational challenges; and we have proven we are up to meeting those challenges.

For these reasons, we support Subtitle 10 of the Small Business COVID-19 Relief Act of 2021 (SB 772, HB 1014). Maryland's beleaguered small business owners desperately need the assistance it would provide, and for the reasons set forth in this testimony the SBDC is uniquely poised to deliver that assistance.

February 18, 2021

Delegate Anne Kaiser
Chair, House Committee on Ways and Means
Room 131
House Office Building
Annapolis, MD 21401

Reference: HB 1014 - Small Business COVID-19 Relief Act of 2021 - **FAVORABLE**

Dear Delegate Kaiser:

My name is Julie Lenzer and I am currently the Chief Innovation Officer at the University of Maryland (UMD). I currently oversee several innovation and entrepreneurship programs at the university, including UM Ventures (technology transfer), TechPort (UAS Incubator in St. Mary's County), and the Maryland Small Business Development Center (SBDC).

I am writing to express UMD's support for the "Small Business COVID-19 Relief Act of 2021," introduced in the House of Delegates by Delegate Lily Qi (HB 1014). My focus is on Subtitle 10 of the Act, "Business Recovery Assistance Program."

The SBDC has emerged as a critical resource in helping Maryland small business owners not just survive but thrive through the pandemic.

In the last year alone, the SBDC staff served more than 9,000 Maryland entrepreneurs in all parts of our state: 3,716 through ongoing, often long term, one-on-one management and financial consulting and 6,631 through its various training programs. Most of their programs are provided at no cost to clients. With the assistance of the SBDC, clients have raised over \$148.5 million in new capital --- both private and governmental - to help them stabilize their hard hit operations. Many, despite the pandemic, have actually seen growth through these turbulent times. Additionally, over the past year, SBDC has supported 53,731 jobs, keeping Maryland workers productively employed and helped entrepreneurs launch 267 startups.

Subtitle 10 confidently builds upon this SBDC record of accomplishment during the pandemic.

This legislation builds on the most important lesson learned by the SBDC during the pandemic: the importance of providing extended support to hard hit companies. Experience has shown that providing money to small businesses without helping them pivot strategically all-too-often results in the company lasting a few more months only to face existential problems again. By requiring the combination of business consulting along with the disbursement of funding, the companies emerge positioned for resiliency and long-term success.

Subtitle 10 COVID-19 Business Recovery Assistance Program also recognizes the expertise within the SBDC to run a program like this, because the SBDC has successfully managed similar programs in the past (*e.g.*, Strategic Assistance Consulting Fund). Housing this program with the



SBDC, within the University of Maryland - College Park, also allows program beneficiaries to take advantage of synergies with the other UMD economic development programs I oversee.

For all these reasons, the University of Maryland enthusiastically supports the legislation offered by Delegate Qi. Maryland's small businesses need this support right now. Having this program operated through Maryland's proven leader in successfully providing a lifeline to our state's most vulnerable entrepreneurs during this pandemic, the SBDC, together with the backing and support from UMD positions this program to bolster our state's economy and become a national model for smart government support for small business.

Please don't hesitate to contact me if you have questions or would like additional information. I can be reached via email at jlenser@umd.edu or via phone at (301) 405-2960. Thank you in advance for your consideration.

Sincerely,

A handwritten signature in blue ink, which appears to read "Julie Lenzer". The signature is written in a cursive, flowing style.

Julie Lenzer
Chief Innovation Officer

Valleywood Industries Inc.

February 16, 2021

Dear Senator Hester and Delegate Qi:

My name is Charles Walcutt, owner of Valleywood Industries Inc., a leading Baltimore area remanufacturer of wooden pallets and recycler of wood products, located at 6517 Landay Avenue, Baltimore, Maryland. I am a blind business owner and i'm writing in support of SB772/HB1014, the Small Business Covid-19 Relief Act of 2021.

In 2009, my company received a Strategic Assistance Consulting Fund (SACF) grant to provide much needed accounting assistance to the company. In 2009 and for several years prior, the company was seriously underperforming financially and it was apparent that something was wrong. SBDC Consultant Craig Panos analyzed the situation and processed my SACF grant application that allowed accountant Darlene Adams to conduct an audit of my business operations. Ms. Adams' audit revealed serious irregularities in the manner in which the production staff had been reporting the number of pallets produced. Additionally, Ms. Adams provided us with some basic cost accounting methods which gave us the tools to better understand of our basic costs. Once we followed the control measures from the audit our financial results turned around very significantly. We began to show substantial profits that we had not experienced before, and which continue today. We are now in our 45th year, are the oldest wood recycler in Maryland, and have enjoyed a 15% increase in revenues during 2020 over the prior year.

I believe that this grant contributed substantially to our continued success.

The SACF grant enabled Valleywood to turn around its financial results in 2009, during a serious economic slowdown, and so I am confident that SB772/HB1014 can similarly provide much needed help to other businesses who are struggling to survive the current pandemic business conditions.

Yours truly,



Charles Walcutt, Owner
Valleywood Industries Inc.

6517 Landay Avenue, Baltimore, Maryland 21237

hb1014F.pdf small business covid relief act.pdf

Uploaded by: Qi, Lily

Position: FAV

HOUSE BILL 1014

C8, Q3

EMERGENCY BILL

1lr2837
CF SB 772

By: **Delegate Qi**

Introduced and read first time: February 5, 2021

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Small Business COVID-19 Relief Act of 2021**

3 FOR the purpose of establishing the Maryland COVID-19 Emergency Loan Program in the
4 Department of Commerce; establishing the purposes of the Emergency Loan
5 Program; authorizing the Department to carry out the purposes of the Emergency
6 Loan Program and to make loans to certain eligible small businesses under certain
7 circumstances; authorizing an eligible small business to apply for a loan under the
8 Emergency Loan Program for certain purposes under certain circumstances;
9 requiring the Department, subject to certain circumstances, to prioritize approving
10 loans for applicants in a certain manner and specify the terms of the loan;
11 establishing the Maryland COVID-19 Emergency Grant Program in the
12 Department; establishing the purposes of the Emergency Grant Program; requiring
13 the Department, subject to certain circumstances, to distribute to each county
14 certain funds in a certain manner for the purpose of providing grants to certain
15 eligible small businesses located in the county; authorizing a county to apply to the
16 Department for a distribution of funds in accordance with this Act; authorizing a
17 county to establish certain criteria for grants issued in accordance with this Act;
18 establishing the Maryland COVID-19 Business Recovery Assistance Program in the
19 Small Business Development Center (SBDC) Network; establishing the purposes of
20 the Business Recovery Assistance Program; authorizing a certain eligible small
21 business to apply to participate in the Business Recovery Assistance Program;
22 requiring the SBDC Network to prioritize approving applications to participate in
23 the Business Recovery Assistance Program in a certain manner; requiring the SBDC
24 Network, subject to availability of certain funds, to provide an eligible small business
25 participating in the Business Recovery Assistance Program access to certain
26 business support services; establishing the Maryland COVID-19 Emergency Loan
27 Fund, the Maryland COVID-19 Emergency Grant Fund, and the Maryland
28 COVID-19 Business Recovery Assistance Fund as special, nonlapsing funds;
29 specifying the purposes of the funds; requiring certain persons to administer the
30 funds; requiring the State Treasurer to hold the funds and the Comptroller to
31 account for the funds; specifying the contents of the funds; specifying the purposes

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



for which the funds may be used; providing for the investment of money in and expenditures from the funds; declaring the intent of the General Assembly; allowing a subtraction modification under the Maryland income tax for a certain amount of income earned by certain small businesses for a certain taxable year; defining certain terms; providing for the application of certain provisions of this Act; providing for the construction of certain provisions of this Act; making certain provisions of this Act subject to a certain contingency; making this Act an emergency measure; and generally relating to assistance for small businesses recovering from the coronavirus pandemic.

BY repealing and reenacting, without amendments,

Article – Economic Development

Section 1–101(a), (c), and (e)

Annotated Code of Maryland

(2018 Replacement Volume and 2020 Supplement)

BY adding to

Article – Economic Development

Section 5–1701 through 5–1704 to be under the new subtitle “Subtitle 17. Maryland COVID–19 Emergency Loan Program”; 5–1801 through 5–1804 to be under the new subtitle “Subtitle 18. Maryland COVID–19 Emergency Grant Program”; and 10–1001 through 10–1004 to be under the new subtitle “Subtitle 10. Maryland COVID–19 Business Recovery Assistance Program”

Annotated Code of Maryland

(2018 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, without amendments,

Article – Tax – General

Section 10–207(a) and 10–307(a)

Annotated Code of Maryland

(2016 Replacement Volume and 2020 Supplement)

BY adding to

Article – Tax – General

Section 10–207(jj)

Annotated Code of Maryland

(2016 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 10–307(g)

Annotated Code of Maryland

(2016 Replacement Volume and 2020 Supplement)

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

That the Laws of Maryland read as follows:

Article – Economic Development

1–101.

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

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

(e) “Secretary” means the Secretary of Commerce.

SUBTITLE 17. MARYLAND COVID–19 EMERGENCY LOAN PROGRAM.

5–1701.

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

(B) “ELIGIBLE SMALL BUSINESS” MEANS A SMALL, MINORITY, OR WOMEN–OWNED BUSINESS THAT:

(1) IS INDEPENDENTLY OWNED AND OPERATED;

(2) IS NOT A SUBSIDIARY OF ANOTHER BUSINESS;

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

(4) IS IN GOOD STANDING WITH THE STATE;

(5) DID NOT EMPLOY IN ITS OPERATIONS MORE THAN 50 FULL–TIME EQUIVALENT EMPLOYEES DURING CALENDAR YEAR 2019; AND

(6) HAS EXPERIENCED A REDUCTION IN GROSS REVENUE OF AT LEAST 25%, AS DETERMINED BY:

(I) FOR A SMALL BUSINESS THAT BEGAN OPERATING BEFORE JULY 1, 2019, THE DIFFERENCE BETWEEN THE REVENUE FOR THE PERIOD OF MARCH THROUGH JUNE 2020 AND THE REVENUE FOR THE PERIOD OF MARCH THROUGH JUNE 2019; AND

(II) FOR A SMALL BUSINESS THAT BEGAN OPERATING ON OR AFTER JULY 1, 2019, THE DIFFERENCE BETWEEN THE SUM OF REVENUE FOR THE PERIOD OF MARCH THROUGH JUNE 2020 AND THE AMOUNT EQUAL TO FOUR TIMES THE REVENUE FOR FEBRUARY 2020.

(C) "FUND" MEANS THE MARYLAND COVID-19 EMERGENCY LOAN FUND.

(D) "PROGRAM" MEANS THE MARYLAND COVID-19 EMERGENCY LOAN PROGRAM.

5-1702.

(A) THERE IS A MARYLAND COVID-19 EMERGENCY LOAN PROGRAM IN THE DEPARTMENT.

(B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE WORKING CAPITAL TO ASSIST MARYLAND FOR-PROFIT SMALL BUSINESSES, THE OPERATIONS OF WHICH HAVE BEEN DISRUPTED DUE TO COVID-19, AND OFFER INTERIM RELIEF COMPLEMENTING ACTIONS WITH THOSE BUSINESSES' BANKS, BUSINESS INTERRUPTION INSURANCE, AND FINANCIAL PARTNERS.

(C) THE DEPARTMENT SHALL ADMINISTER THE PROGRAM.

5-1703.

(A) TO CARRY OUT THE PURPOSES OF THE PROGRAM, THE DEPARTMENT MAY MAKE LOANS IN ACCORDANCE WITH THIS SECTION TO ELIGIBLE SMALL BUSINESSES.

(B) (1) AN ELIGIBLE SMALL BUSINESS MAY APPLY FOR A LOAN UNDER THE PROGRAM IF THE ELIGIBLE SMALL BUSINESS:

(I) HAS EMPLOYEES ON ITS PAYROLL FOR WHOM PAYROLL TAXES HAVE BEEN WITHHELD; AND

(II) DEMONSTRATES FINANCIAL STRESS OR DISRUPTED OPERATIONS.

(2) THE DEPARTMENT MAY SPECIFY ADDITIONAL ELIGIBILITY AND APPLICATION REQUIREMENTS FOR A LOAN UNDER THE PROGRAM.

(3) THE DEPARTMENT SHALL PRIORITIZE APPROVING LOANS FOR APPLICANTS IN THE FOLLOWING ORDER:

(I) ELIGIBLE SMALL BUSINESSES WITH 10 OR FEWER FULL-TIME EQUIVALENT EMPLOYEES;

(II) ELIGIBLE SMALL BUSINESSES WITH MORE THAN 10 BUT NO

1 MORE THAN 25 FULL-TIME EQUIVALENT EMPLOYEES; AND

2 (III) ELIGIBLE SMALL BUSINESSES WITH MORE THAN 25
3 FULL-TIME EQUIVALENT EMPLOYEES.

4 (C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE
5 DEPARTMENT SHALL SPECIFY THE TERMS OF THE LOAN.

6 (2) THE LOAN:

7 (I) SHALL BE INTEREST-FREE FOR AT LEAST THE FIRST 12
8 MONTHS OF THE TERM OF THE LOAN; AND

9 (II) MAY NOT REQUIRE THE PROVISION OF ANY COLLATERAL.

10 (D) A LOAN ISSUED UNDER THE PROGRAM MAY BE UTILIZED FOR:

11 (1) WORKING CAPITAL TO SUPPORT PAYROLL EXPENSES;

12 (2) RENT OR MORTGAGE EXPENSES;

13 (3) UTILITY EXPENSES; OR

14 (4) OTHER SIMILAR EXPENSES THAT OCCUR IN THE ORDINARY
15 COURSE OF OPERATIONS.

16 5-1704.

17 (A) THERE IS A MARYLAND COVID-19 EMERGENCY LOAN FUND.

18 (B) THE PURPOSE OF THE FUND IS TO PROVIDE LOANS TO ELIGIBLE SMALL
19 BUSINESSES IN ACCORDANCE WITH § 5-1703 OF THIS SUBTITLE.

20 (C) THE SECRETARY SHALL ADMINISTER THE FUND.

21 (D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
22 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

23 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,
24 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

25 (E) THE FUND CONSISTS OF:

(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND

(2) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(F) THE FUND MAY BE USED ONLY FOR PROVIDING LOANS UNDER THE PROGRAM.

(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE GENERAL FUND OF THE STATE.

(H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.

(I) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT \$20,000,000 OF FINANCIAL ASSISTANCE PROVIDED BY THE FEDERAL GOVERNMENT TO THE STATE IN RESPONSE TO THE CORONAVIRUS PANDEMIC ON OR AFTER JANUARY 1, 2021, BE DISTRIBUTED TO THE FUND, IF THE PURPOSES OF THE PROGRAM ARE A PERMISSIBLE USE OF THE FINANCIAL ASSISTANCE.

SUBTITLE 18. MARYLAND COVID-19 EMERGENCY GRANT PROGRAM.

5-1801.

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

(B) "ELIGIBLE SMALL BUSINESS" MEANS A BUSINESS THAT:

(1) IS INDEPENDENTLY OWNED AND OPERATED;

(2) IS NOT A SUBSIDIARY OF ANOTHER BUSINESS;

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

(4) IS IN GOOD STANDING WITH THE STATE;

(5) DID NOT EMPLOY IN ITS OPERATIONS MORE THAN 15 FULL-TIME EQUIVALENT EMPLOYEES DURING CALENDAR YEAR 2019; AND

1 **(6) HAS EXPERIENCED A REDUCTION IN GROSS REVENUE OF AT LEAST**
2 **25%, AS DETERMINED BY:**

3 **(I) FOR A SMALL BUSINESS THAT BEGAN OPERATING BEFORE**
4 **JULY 1, 2019, THE DIFFERENCE BETWEEN THE REVENUE FOR THE PERIOD OF**
5 **MARCH THROUGH JUNE 2020 AND THE REVENUE FOR THE PERIOD OF MARCH**
6 **THROUGH JUNE 2019; AND**

7 **(II) FOR A SMALL BUSINESS THAT BEGAN OPERATING ON OR**
8 **AFTER JULY 1, 2019, THE DIFFERENCE BETWEEN THE SUM OF REVENUE FOR THE**
9 **PERIOD OF MARCH THROUGH JUNE 2020 AND THE AMOUNT EQUAL TO FOUR TIMES**
10 **THE REVENUE FOR FEBRUARY 2020.**

11 **(C) “FUND” MEANS THE MARYLAND COVID-19 EMERGENCY GRANT**
12 **FUND.**

13 **(D) “PROGRAM” MEANS THE MARYLAND COVID-19 EMERGENCY GRANT**
14 **PROGRAM.**

15 **5-1802.**

16 **(A) THERE IS A MARYLAND COVID-19 EMERGENCY GRANT PROGRAM IN**
17 **THE DEPARTMENT.**

18 **(B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE WORKING CAPITAL TO**
19 **ASSIST MARYLAND FOR-PROFIT SMALL BUSINESSES, THE OPERATIONS OF WHICH**
20 **HAVE BEEN DISRUPTED DUE TO COVID-19, AND OFFER INTERIM RELIEF**
21 **COMPLEMENTING ACTIONS WITH THOSE BUSINESSES’ BANKS, BUSINESS**
22 **INTERRUPTION INSURANCE, AND FINANCIAL PARTNERS.**

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

24 **5-1803.**

25 **(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, TO CARRY OUT THE**
26 **PURPOSES OF THE PROGRAM, ON APPLICATION BY A COUNTY THE DEPARTMENT**
27 **SHALL DISTRIBUTE TO THE COUNTY A PORTION OF FUNDS FROM THE FUND ON A**
28 **PER CAPITA BASIS.**

29 **(B) (1) A COUNTY MAY APPLY TO THE DEPARTMENT FOR A DISTRIBUTION**
30 **OF FUNDS IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION TO BE USED TO**
31 **PROVIDE GRANTS TO ELIGIBLE SMALL BUSINESSES LOCATED IN THE COUNTY.**

(2) FOR THE GRANTS AUTHORIZED UNDER THIS SECTION, EACH COUNTY MAY ESTABLISH:

(I) ELIGIBILITY AND APPLICATION REQUIREMENTS;

(II) THE AMOUNT OF THE GRANTS; AND

(III) THE PURPOSES FOR WHICH THE GRANTS MAY BE EXPENDED.

5-1804.

(A) THERE IS A MARYLAND COVID-19 EMERGENCY GRANT FUND.

(B) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDING TO EACH COUNTY TO MAKE GRANTS TO ELIGIBLE SMALL BUSINESSES LOCATED IN THE COUNTY IN ACCORDANCE WITH § 5-1803 OF THIS SUBTITLE.

(C) THE SECRETARY SHALL ADMINISTER THE FUND.

(D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(E) THE FUND CONSISTS OF:

(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND

(2) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(F) THE FUND MAY BE USED ONLY TO PROVIDE GRANTS UNDER THE PROGRAM.

(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE GENERAL FUND OF THE STATE.

(H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE

1 WITH THE STATE BUDGET.

2 (I) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT \$20,000,000 OF
3 FINANCIAL ASSISTANCE PROVIDED BY THE FEDERAL GOVERNMENT TO THE STATE
4 IN RESPONSE TO THE CORONAVIRUS PANDEMIC ON OR AFTER JANUARY 1, 2021, BE
5 DISTRIBUTED TO THE FUND, IF THE PURPOSES OF THE PROGRAM ARE A
6 PERMISSIBLE USE OF THE FINANCIAL ASSISTANCE.

7 SUBTITLE 10. MARYLAND COVID-19 BUSINESS RECOVERY ASSISTANCE
8 PROGRAM.

9 10-1001.

10 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
11 INDICATED.

12 (B) "ELIGIBLE SMALL BUSINESS" MEANS A BUSINESS THAT:

13 (1) IS INDEPENDENTLY OWNED AND OPERATED;

14 (2) IS NOT A SUBSIDIARY OF ANOTHER BUSINESS;

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

16 (4) IS IN GOOD STANDING WITH THE STATE;

17 (5) DID NOT EMPLOY IN ITS OPERATIONS MORE THAN 50 FULL-TIME
18 EQUIVALENT EMPLOYEES DURING CALENDAR YEAR 2019; AND

19 (6) HAS EXPERIENCED A REDUCTION IN GROSS REVENUE OF AT LEAST
20 25%, AS DETERMINED BY:

21 (I) FOR A SMALL BUSINESS THAT BEGAN OPERATING BEFORE
22 JULY 1, 2019, THE DIFFERENCE BETWEEN THE REVENUE FOR THE PERIOD OF
23 MARCH THROUGH JUNE 2020 AND THE REVENUE FOR THE PERIOD OF MARCH
24 THROUGH JUNE 2019; AND

25 (II) FOR A SMALL BUSINESS THAT BEGAN OPERATING ON OR
26 AFTER JULY 1, 2019, THE DIFFERENCE BETWEEN THE SUM OF REVENUE FOR THE
27 PERIOD OF MARCH THROUGH JUNE 2020 AND THE AMOUNT EQUAL TO FOUR TIMES
28 THE REVENUE FOR FEBRUARY 2020.

29 (C) "FUND" MEANS THE COVID-19 BUSINESS RECOVERY ASSISTANCE

1 **FUND.**

2 (D) “PROGRAM” MEANS THE COVID-19 BUSINESS RECOVERY
3 ASSISTANCE PROGRAM.

4 (E) “SBDC NETWORK” MEANS THE SMALL BUSINESS DEVELOPMENT
5 CENTER NETWORK HEADQUARTERED IN THE UNIVERSITY OF MARYLAND,
6 COLLEGE PARK CAMPUS.

7 **10-1002.**

8 (A) THERE IS A COVID-19 BUSINESS RECOVERY ASSISTANCE PROGRAM
9 IN THE SBDC NETWORK.

10 (B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE THE STATE’S BUSINESS
11 COMMUNITY GUIDANCE AND RESOURCES TO RECOVER FROM THE HARDSHIPS OF
12 THE CORONAVIRUS PANDEMIC AND ADAPT TO A POSTPANDEMIC BUSINESS
13 ENVIRONMENT.

14 (C) THE SBDC NETWORK SHALL ADMINISTER THE PROGRAM.

15 **10-1003.**

16 (A) (1) AN ELIGIBLE SMALL BUSINESS MAY APPLY TO PARTICIPATE IN
17 THE PROGRAM.

18 (2) THE SBDC NETWORK MAY ESTABLISH ELIGIBILITY AND
19 APPLICATION REQUIREMENTS FOR THE PROGRAM.

20 (3) THE SBDC NETWORK SHALL PRIORITIZE APPROVING
21 APPLICATIONS TO PARTICIPATE IN THE PROGRAM IN THE FOLLOWING ORDER:

22 (I) ELIGIBLE SMALL BUSINESSES WITH 10 OR FEWER
23 FULL-TIME EQUIVALENT EMPLOYEES;

24 (II) ELIGIBLE SMALL BUSINESSES WITH MORE THAN 10 BUT NO
25 MORE THAN 25 FULL-TIME EQUIVALENT EMPLOYEES; AND

26 (III) ELIGIBLE SMALL BUSINESSES WITH MORE THAN 25
27 FULL-TIME EQUIVALENT EMPLOYEES.

28 (B) SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE SBDC NETWORK
29 SHALL PROVIDE TO AN ELIGIBLE SMALL BUSINESS PARTICIPATING IN THE

PROGRAM ACCESS TO BUSINESS SUPPORT SERVICES TO ASSIST THE SMALL BUSINESS IN RECOVERING FROM THE ECONOMIC HARDSHIPS OF THE CORONAVIRUS PANDEMIC, INCLUDING:

(1) ACCESS TO NONGOVERNMENTAL FINANCING;

(2) SUPPORT FOR BUSINESS MODEL AND OPERATIONAL ADJUSTMENTS TO ADAPT TO A POSTPANDEMIC BUSINESS ENVIRONMENT;

(3) ACCESS TO PROFESSIONAL SERVICES, INCLUDING ACCOUNTING, LEGAL, MARKETING, TECHNOLOGY, AND BUSINESS DEVELOPMENT SERVICES, BASED ON THE NEEDS OF THE ELIGIBLE SMALL BUSINESS; AND

(4) ACCESS TO OFF-THE-SHELF BUSINESS SOFTWARE.

(C) SUBJECT TO AVAILABLE FUNDING IN THE FUND, THE SBDC NETWORK SHALL PROVIDE THE SERVICES AND SOFTWARE DESCRIBED UNDER SUBSECTION (B) OF THIS SECTION TO A PROGRAM PARTICIPANT AT NO COST.

(D) THIS SECTION MAY NOT BE CONSTRUED TO:

(1) ALTER ANY ASPECTS, INCLUDING ELIGIBILITY, OF ANY OTHER PROGRAM ADMINISTERED BY THE SBDC NETWORK; OR

(2) REQUIRE THE SBDC NETWORK TO PROVIDE SERVICES AT NO COST TO A PARTICIPANT OF ANY OTHER PROGRAM ADMINISTERED BY THE SBDC NETWORK.

10-1004.

(A) THERE IS A COVID-19 BUSINESS RECOVERY ASSISTANCE FUND.

(B) THE PURPOSE OF THE FUND IS TO PROVIDE BUSINESS SUPPORT SERVICES TO ELIGIBLE SMALL BUSINESSES IN ACCORDANCE WITH § 10-1003 OF THIS SUBTITLE.

(C) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(D) THE FUND CONSISTS OF:

(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND

(2) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(E) THE FUND MAY BE USED TO PROVIDE SERVICES AND SOFTWARE IN ACCORDANCE WITH § 10-1003 OF THIS SUBTITLE AND FOR THE COSTS OF ADMINISTERING THE PROGRAM.

(F) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE GENERAL FUND OF THE STATE.

(G) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.

(H) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT \$20,000,000 OF FINANCIAL ASSISTANCE PROVIDED BY THE FEDERAL GOVERNMENT TO THE STATE IN RESPONSE TO THE CORONAVIRUS PANDEMIC ON OR AFTER JANUARY 1, 2021, BE DISTRIBUTED TO THE FUND, IF THE PURPOSES OF THE PROGRAM ARE A PERMISSIBLE USE OF THE FINANCIAL ASSISTANCE.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Tax – General

10-207.

(a) To the extent included in federal adjusted gross income, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(JJ) (1) IN THIS SUBSECTION, “SMALL BUSINESS” MEANS A BUSINESS ENTITY THAT:

(I) IS INDEPENDENTLY OWNED AND OPERATED;

(II) IS NOT A SUBSIDIARY OF ANOTHER BUSINESS ENTITY;

(III) IS NOT DOMINANT IN ITS FIELD OF OPERATION;

(IV) DID NOT EMPLOY IN ITS OPERATIONS MORE THAN 50 FULL-TIME EQUIVALENT EMPLOYEES DURING CALENDAR YEAR 2019; AND

(V) DID NOT EARN MORE THAN \$5,000,000 IN GROSS REVENUES DURING CALENDAR YEAR 2019.

(2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES, FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2019, BUT BEFORE JANUARY 1, 2021, THE FIRST \$100,000 OF INCOME EARNED BY A TAXPAYER IF THE TAXPAYER IS A SMALL BUSINESS THAT EXPERIENCED MORE THAN A 25% REDUCTION IN INCOME BETWEEN ITS MOST RECENTLY COMPLETED FISCAL YEAR AND THE IMMEDIATELY PRECEDING FISCAL YEAR.

10-307.

(a) To the extent included in federal taxable income, the amounts under this section are subtracted from the federal taxable income of a corporation to determine Maryland modified income.

(g) The subtraction under subsection (a) of this section includes the amounts allowed to be subtracted for an individual under:

(1) § 10-207(i) of this title (Profits on sale or exchange of State or local bonds);

(2) § 10-207(k) of this title (Relocation and assistance payments);

(3) § 10-207(m) of this title (State or local income tax refunds);

(4) § 10-207(c-1) of this title (State tax-exempt interest from mutual funds); [or]

(5) § 10-207(hh) of this title (Gain on the transfer of property within the Laurel Park site or Pimlico site or Bowie Race Course Training Center property and income realized as result of governmental expenditures); OR

(6) § 10-207(JJ) OF THIS TITLE (SMALL BUSINESS INCOME).

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) Section 1 of this Act shall take effect contingent on the provision of financial assistance to the State by the federal government in response to the coronavirus pandemic on or after January 1, 2021, if that financial assistance is eligible to be utilized to fund the programs established under Section 1 of this Act in accordance with federal law.

1 (b) Within 5 days of receipt of eligible financial assistance described under
2 subsection (a) of this section, the Department of Budget and Management shall notify the
3 Department of Legislative Services.

4 (c) If notice of the receipt of the eligible financial assistance is received by the
5 Department of Legislative Services on or before December 31, 2021, Section 1 of this Act
6 shall take effect on the date the notice is received by the Department of Legislative Services
7 in accordance with subsection (b) of this section.

8 (d) If notice of the receipt of the eligible financial assistance is not received by the
9 Department of Legislative Services on or before December 31, 2021, Section 1 of this Act,
10 with no further action required by the General Assembly, shall be null and void.

11 SECTION 4. AND BE IT FURTHER ENACTED, That, subject to Section 3 of this
12 Act, this Act is an emergency measure, is necessary for the immediate preservation of the
13 public health or safety, has been passed by a yea and nay vote supported by three-fifths of
14 all the members elected to each of the two Houses of the General Assembly, and shall take
15 effect from the date it is enacted.

HB1014 - MoCo Chamber - Small Business COVID–19 Re

Uploaded by: Swanson, Tricia

Position: FAV



To Lead, Advocate and Connect as the Voice of Business

House Bill 1014 - Small Business COVID-19 Relief Act of 2021

Ways and Means Committee

February 25, 2021

SUPPORT

The Montgomery County Chamber of Commerce (MCCC), as the voice of Montgomery County business, strongly supports House Bill 1014. This emergency bill establishes the Maryland COVID-19 Emergency Loan Program in the Department of Commerce to provide working capital to assist Maryland for-profit small businesses, the operators of which have been disrupted due to COVID-19, and offer interim relief complementing actions with those of businesses' banks, business interruption insurance, and financial partners.

The bill also establishes the Maryland COVID-19 Emergency Grant Program and the Maryland COVID-19 Recovery Assistance Program for small businesses across the state who had more than 25% reduction in operations due to the global pandemic.

Over the last 11 months, the Chamber has been actively involved with businesses from across the County and state advocating for the issues that are most impacting them during this global pandemic. MCCC has also hosted webinars on best practices in this new COVID-19 world. And through these webinars, and in advocating for our members, what we are hearing is essential to a business' survival is the infusion of cash through grants and loans.

The Chamber applauds emergency legislation and the intent to get businesses the resources they need expeditiously. Montgomery County small businesses need cash-on-hand now and the State has more flexibility to get funding more quickly to these businesses. For the aforementioned reasons, **the Chamber strongly supports House Bill 1014 and respectfully urges a favorable report.**

The Montgomery County Chamber of Commerce (MCCC) accelerates the success of our nearly 500 members by advocating for increased business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and is proud to be a Montgomery County Green Certified Business.

Tricia Swanson, Vice President, Government Relations
Montgomery County Chamber of Commerce
301-738-0015 www.mcccmd.com

Kaiser_HB 1014 SB COVID-19 Relief Act of 2021_BWI_

Uploaded by: Giaimo, Robert

Position: FWA



February 23, 2021

The Honorable Anne Kaiser
House Ways and Means Committee
Chairwoman Anne Kaiser
Room 131
House Office Building
Annapolis, Maryland 21401

RE: Critical Amendment to Small Business COVID-19 Relief Act of 2021 (the “Act”) is needed to protect hundreds of high-quality jobs at BWI Thurgood Marshall Airport (“BWI”)

Dear Chairwoman Anne Kaiser

The signatories to this letter are concessionaires at BWI, who collectively employ hundreds of Maryland residents in high-quality jobs. We are writing you to express our strong support for W/Amendment HB 1014 - Small Business COVID-19 Relief Act of 2021 (the “Airport Amendment”). The Airport Amendment would offer extensions of subleases at BWI by up to five years, ***giving businesses at the State’s flagship airport a chance to navigate and recover from the devastating impact of the COVID-19 pandemic.***

To date, Fraport and the Maryland Aviation Administration have provided much needed rent relief and have proposed a universal two-year lease extension which provides some tenants with leases through December 2027, which is appreciated. For those with leases expiring prior to December 2025, however, longer-term lease extensions, up to five years, providing ***all tenants*** with extensions that take them through 2027, and ***allow all concessionaires the same opportunity*** to recoup losses that have been incurred, and will continue to be incurred until passenger traffic returns to pre-pandemic levels. Accordingly, the Airport Amendment is a critical legislative solution for the BWI airport concessionaire community, including employees, airport patrons, and the State of Maryland. Here is some important background:

- 1. Decimated Passenger Traffic Has Led to Millions of Dollars of Losses.** Airport concessionaires have been devastated by the COVID-19 pandemic and the associated decrease in enplanements and passenger traffic (currently down 65%-70% relative to 2019). This loss of passenger traffic has driven down revenue since the beginning of the pandemic (now approaching a full year) and has resulted in millions of dollars of losses.
- 2. The Employees and Entire Community at the State’s Flagship Airport are Harmed.** These long-term losses threaten the viability of concessionaire operations and therefore the jobs and livelihoods of airport employees, the investment and efforts of concession owners, the travel experience of airport patrons at BWI, and the revenue received by the State.
- 3. Rent Relief and Short-Term Extension aren’t Sufficient; Longer-Term Lease Extensions Needed.** The rent relief provided to date, and the universal *short-term* extension proposed by the Maryland Aviation Administration, while appreciated, aren’t sufficient for concessionaires with leases expiring prior to December 2025 to offset these devastating long-term losses and provide the cash needed to continue operations. For those with leases expiring prior to December 2025, longer-term lease extensions providing all tenants with extensions that take them through 2027 are needed to level the playing field and allow concessionaires an opportunity to recoup losses that have been incurred and will continue to be incurred for years to come. All industry sources indicate that airline travel is not expected to return to pre-pandemic levels for ***at least three years***. Moreover, longer-term lease extensions also provide the ability to secure capital to fund ongoing losses. See attached article from the Wall Street Journal documenting the 3 year time frame for industry recovery. Delta customer surveys forecast around 70% of pre-pandemic corporate travel will resume by 2023.

4. Longer-Term Lease Extension is a No-Cost Solution; Inaction is Costly. A longer-term lease extension costs the State no money, while inaction will lead to further concessionaire closures, depriving the State of much needed revenue provided by experienced operators once travel resumes, and leading to significant further job losses at the airport.

5. Lease Extensions Have Worked for Other Airports. Other airports (*e.g.*, Atlanta and Minneapolis-St. Paul), at the early stages of the pandemic put together similar economic support packages for concessionaires that include longer-term lease extensions that help ensure concessionaire viability as well as allow concessionaires to realize the potential of their investment and efforts once the pandemic is over.

This matter needs your urgent attention, as concessionaires cannot continue to lose money at such an incredible rate without assurance of a long-term post-pandemic future at BWI. We ask that as the Budget and Taxation Committee considers the Act, they favorably consider the addition of the Airport Amendment. Of course, we would appreciate the opportunity to speak with you as soon as possible. Please let us know a time that works for you.

Sincerely,

Silver Diner, Inc.

- 1) Creative Foods- 3 locations
 - Phillips Seafood - Local Maryland based
 - Sir Veza's Kitchen
 - Market Express
- 2) On Site Retailers - ACDBE 4 locations and partners in 3 others
 - Onsite News - 2 locations
 - Pinkberry Frozen Yogurt
 - Charm City Market
- 3) CRC Restaurants - Obryki's ACDBE Local owners 3 locations
 - Obryki's A
 - Obryki's B
 - R&R Seafood
- 4) Sky's the Limit of Maryland - Local 3 Locations
 - 2 Auntie Anne's Pretzel
 - 1 Auntie Anne's Pretzel/Cinnabon
- 5) D and D Food Company LLC/Star Global Hospitality - ACDBE 3 Locations
 - Arby's
 - 2 - Gachi Sushi
- 6) SUSDEWITT - ACDBE 2 locations
 - McDonalds - A/B
 - McDonalds - D
- 7) Travel Retail Solutions - 2 Locations
 - BGR The Burger Joint
 - Nature's Kitchen Fresh Café
- 8) Silver Diner Inc

THE WALL STREET JOURNAL.

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<https://www.wsj.com/articles/covid-19-pandemics-impact-on-business-travel-hitting-local-economies-11610879401>

U.S. ECONOMY

Covid-19's Blow to Business Travel Is Expected to Last for Years

Local jobs and economies take the brunt from the decline in corporate trips and conferences



International air travel, including that at Miami International Airport, seen in December, is down 90% through November compared with 2019.

PHOTO: JOE RAEDLE/GETTY IMAGES

By [Doug Cameron](#) and [Eric Morath](#)

Updated Jan. 17, 2021 9:23 am ET



Listen to this article

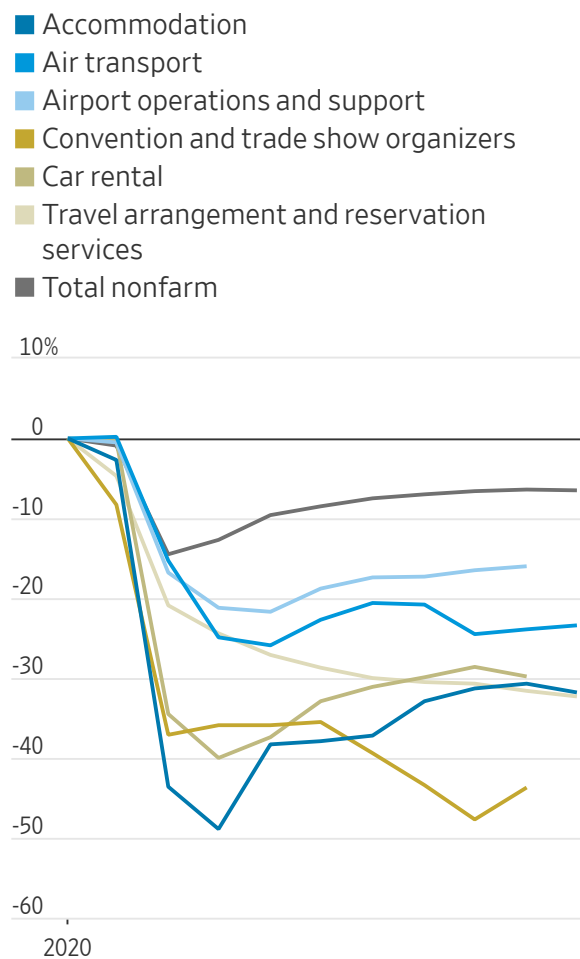
8 minutes

The coronavirus pandemic delivered a lingering, and possibly permanent, hit to business travel that is likely to weigh on employment and economic growth in some communities for years.

Beyond the blows to airlines, hotels, travel agents and rental-car companies, the drop in business travel is rippling through whole ecosystems of related commerce, including airport shops, downtown bars and restaurants, construction companies building convention stages, entertainers, taxi drivers and aircraft-parts manufacturers.

Domestic and international business travelers in the U.S. directly spent \$334.2 billion in 2019, supporting 2.5 million jobs, according to the U.S. Travel Association. But when considering the follow-on effects, it estimates the economic output and jobs supported by business travel were roughly double those figures before the pandemic.

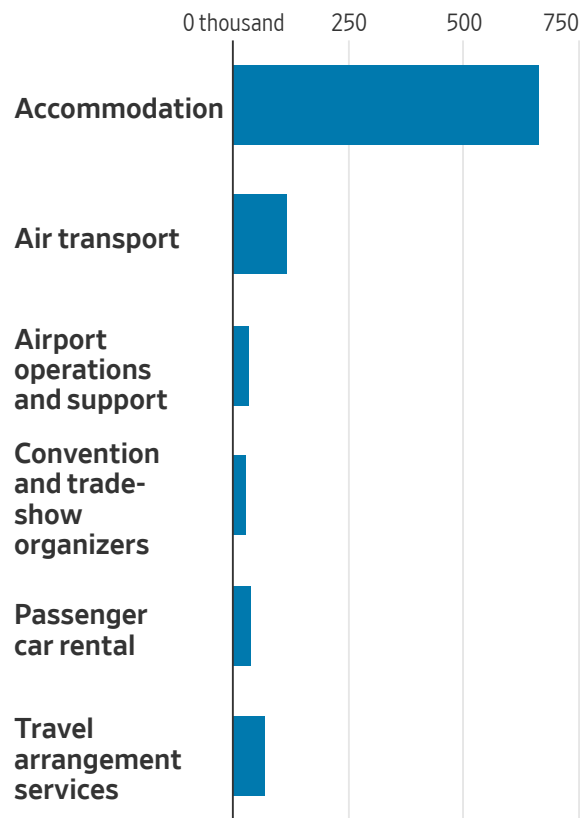
Change in employment for select travel-related sectors, from February 2020



Note: Seasonally adjusted
Source: Labor Department

Job Losses

Decline in employment from Feb. 2020 in select travel-related sectors



Note: Seasonally adjusted; Airport operations, convention organizers and car rental reflect job losses through November 2020, others through December 2020

Source: Labor Department

“When a large convention or event is happening, the entire city is involved,” said Tori Emerson Barnes, the association’s head of public affairs and policy. “The florist that provides the flowers, the dry cleaners that prepare the linens, the coffee shop that serves travelers. Whole downtown areas have been revitalized due to the meeting and events business, and they’ve really struggled this past year.”

When global restrictions to control the spread of Covid-19 were put into place last spring, businesses and road-warrior workers were forced to adjust, making sales calls and attending board meetings through videoconferences rather than on-site visits, and adapting to virtual training and networking instead of conference-center seminars.

Executives learned that remote work, to a degree, was more possible than they previously envisioned, which could lessen the need for some types of business travel in the future, even after vaccines conquer the coronavirus. And some companies stung by the pandemic’s economic effects may be slashing travel budgets to compensate for years of lower revenue.

Delta Air Lines Inc. Chief Executive Ed Bastian this past week said on an investor call that the airline's recent customer surveys forecast around 70% of pre-pandemic corporate travel will resume by 2023, including international trips.

In the near term, the travel business still faces painful adjustments. "Perhaps by the end of 2021, our assessment is that domestic business could be in the range of down 50% to 60%" from the pre-pandemic level, Southwest Airlines Co. CEO Gary Kelly said at an industry conference last month.

The job losses have already been severe. About one million travel-related jobs have been lost since February, according to the Labor Department, including more than 600,000 hotel positions and 120,000 airline and related staff. Also cut were thousands of positions in fields ranging from restaurants to aerospace manufacturing to convention-center operations.



Frank Culbertson was laid off from his job as an event custodian at the Oregon Convention Center in Portland.

PHOTO: FRANK CULBERTSON

Frank Culbertson, 62 years old, was laid off in March from his job as an event custodian at the Oregon Convention Center in Portland. He said it was a well-paying job he enjoyed, building stages, arranging seating, cleaning and directing visitors at events ranging from the Grand Prix of Portland race to trade shows to country music concerts.

His last day of work was March 16, when Oregon's Gov. Kate Brown, a Democrat, banned gatherings of more than 25 people. "Most everyone assumed it would be two months, max," Mr. Culbertson said. Events aren't expected to be scheduled at the center until the fall, and Mr. Culbertson said his union warned not to expect a return to the normal slate of events until 2023 or 2024.

"The international convention business has just evaporated," he said.

To get by, Mr. Culbertson applied for food assistance and public health care offered by the state. He has been unable to find employment, outside of a few shifts cleaning the convention center when it served as a shelter for wildfire victims last year. That has curtailed his ability to spend at locally owned shops he liked to frequent.

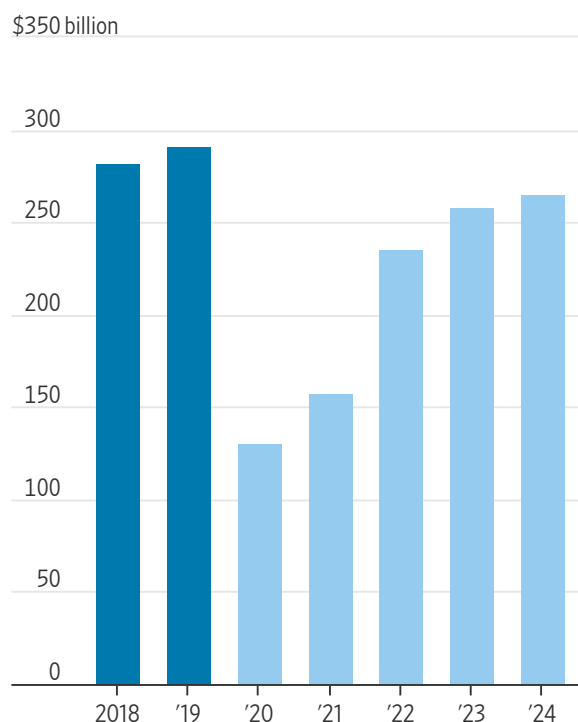
"I manage my money as carefully as possible because I don't know when my next job is coming," he said.

Meeting and event cancellations caused 70% of the convention center's workers to be laid off or have hours cut, according to its management.

"The global pandemic brought an immediate closure to large-scale venues resulting in economic impacts at a scale never seen in our lifetime," said Craig Stroud, Oregon Convention Center executive director. "When conventions and meetings resume, we will return to the generation of vast economic benefits for our region."

Travel Budget

Direct business travel spending in U.S., by U.S. residents



Note: 2020-2024 figures reflect Nov. 2020 forecast

Source: U.S. Travel Association

Travel industry executives and corporate leaders remain split on when—if ever—pre-pandemic levels of business travel will return. Some project a permanent decline, while others are more optimistic.

“There will be different types of travelers, different reasons for people traveling, but I think business travel has got a very, very strong opportunity to return over the next two years,” Delta’s Mr. Bastian said.

Big U.S. airlines typically generated half their profit from the higher fares paid by business travelers, who accounted for less than one-fifth of their seats before the pandemic.

Joseph Palma, 41, said he was laid off in March from a customer-service representative job at a unit of Spain’s Eulen SA, working for American Airlines Group Inc. at Miami International Airport. After the \$600 federal unemployment supplement expired at the end of July, he moved out of his apartment and into a small room. To save money, he limits trips to the grocery store and purchases bruised produce and food near expiration since it is less expensive.

He said he has applied for jobs at retailers, which are likely to pay less than the \$17 an hour he earned at the airport, but he hasn’t been called back. He said his feeling of despair

rivals that of when Hurricane Andrew struck the city when he was child.

“I thought Andrew was the end of the world, and I feel this way again,” he said. “There are no jobs for me in Miami.”

Mr. Palma’s challenge will be similar to that of other travel-industry workers. While jobs in airports and hotels tend to pay below-average wages, the pay is often better than at retailers and restaurants.



Joseph Palma was laid off in March from a customer-service representative job at Miami International Airport.

PHOTO: FRANCISCO AGUILA

Mr. Palma was among 600 Eulen employees laid off in Miami last spring. Since then, 191 have been rehired, a company spokesman said. Employees were laid off due to contract cancellations or suspensions from the airlines, he said. As airline passenger traffic improved, the company started rehiring workers as needed, though a December bump in bookings hasn’t carried through into the new year.

“People who worked for the airline industry and major hotel chains had reasonably well-paying jobs, and good job security. You could have a career there,” said Steven Davis, an economist at the University of Chicago. “Those folks who lost jobs could have a hard time getting back on that track.”

Overseas air travel has been hardest hit, down almost 90% through November compared with 2019, according to the International Air Transport Association. Travel bans, quarantines and a broader economic slowdown have forced companies to adjust sales and marketing practices to reduce or eliminate in-person meetings, especially overseas.

“Our teams have become very creative in how we continue very good sales work with our customers,” said Rob Smith, CEO of Konecranes Oyj, the Finland-based maker of heavy lifting equipment for ports and factories. Rather than send four or five staff to a customer, the company is sending a local representative with colleagues joining remotely. Mr. Smith said he expected reduced business travel would be part of the new normal.

Have you experienced job loss due to the Covid-19 pandemic? Tell us more about what you do, how you’ve been impacted, and what you know about the future of your employment here. To start, were you laid off or furloughed since March 1?*

Select one...

If you were laid off or furloughed, have you been recalled to work?*

Select one...

Name: *

Contact: *

City/state of residence: *

SUBMIT

By submitting your response to this questionnaire, you consent to Dow Jones processing your special categories of personal information and are indicating that your answers may be investigated and published by The Wall Street Journal and you are willing to be contacted by a Journal reporter to discuss your answers further. In an article on this subject, the Journal will not attribute your answers to you by name unless a reporter contacts you and you provide that consent.

Write to Doug Cameron at doug.cameron@wsj.com and Eric Morath at eric.morath@wsj.com

Appeared in the January 19, 2021, print edition as 'Virus's Blow to Business Travel to Linger.'

Would you like more stories like this?

YES

NO

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HB1014-WM_MACo_SWA.pdf

Uploaded by: Kinnally, Kevin

Position: FWA



House Bill 1014

Small Business COVID-19 Relief Act of 2021

MACo Position: **SUPPORT
WITH AMENDMENTS**

To: Ways and Means Committee

Date: February 25, 2021

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1014's strong commitment to delivering meaningful relief to small businesses hardest hit by the COVID-19 pandemic **WITH AMENDMENTS** to guard against the carryover fiscal effects of this bill, which would undermine county revenues and support for schools, public health, public safety, and other essential community services – including those most critical during this crisis itself.

HB 1014 establishes several grant and loan programs for small businesses suffering financially amidst the pandemic. Strengthening Maryland's small businesses is critical for a strong post-COVID recovery, and MACo appreciates the bill's flexibility in allowing counties to apply for and distribute funds to local businesses. County concerns are merely cost-driven, as the bill grants a costly subtraction modification that would deplete county revenues – without any local action or input.

The swift and unprecedented shock of the COVID-19 public health crisis has also wreaked havoc on the economy. County governments are not only the front lines for public health and safety during these challenging times, they also face revenue shortfalls from the drop in central funding sources. As the focus shifts to restoring our state and local economies in a manner that is safe, equitable, and prosperous for all, counties are eager and committed partners in promoting economic growth and creating opportunity – we prefer local autonomy in determining the best way locally.

Property taxes show the best collaborative way to enact targeted tax relief. The State and its local governments already work together here – where the State routinely grants a state-level tax credit, but then enables county governments to enact their own as a local option.

State proposals that involve local revenue sources can be enacted as “local option” offerings, to allow counties maximum flexibility to achieve local goals. MACo urges the Committee to primarily consider state income tax credits as the best means to incorporate local tax relief as part of a broader policy.

MACo and county governments hope the Committee finds these comments helpful. Counties stand ready to work with state policymakers to develop flexible and optional tools to create broad or targeted tax incentives, but resist state-mandated changes that preclude local input. Accordingly, MACo urges the Committee to issue a **FAVORABLE WITH AMENDMENTS** report on HB 1014.

Kaiser_HB 1014 SB COVID-19 Relief Act of 2021_BWI_

Uploaded by: Rudich, Kyle

Position: FWA



February 23, 2021

The Honorable Anne Kaiser
House Ways and Means Committee
Chairwoman Anne Kaiser
Room 131
House Office Building
Annapolis, Maryland 21401

RE: Critical Amendment to Small Business COVID-19 Relief Act of 2021 (the “Act”) is needed to protect hundreds of high-quality jobs at BWI Thurgood Marshall Airport (“BWI”)

Dear Chairwoman Anne Kaiser

The signatories to this letter are concessionaires at BWI, who collectively employ hundreds of Maryland residents in high-quality jobs. We are writing you to express our strong support for W/Amendment HB 1014 - Small Business COVID-19 Relief Act of 2021 (the “Airport Amendment”). The Airport Amendment would offer extensions of subleases at BWI by up to five years, ***giving businesses at the State’s flagship airport a chance to navigate and recover from the devastating impact of the COVID-19 pandemic.***

To date, Fraport and the Maryland Aviation Administration have provided much needed rent relief and have proposed a universal two-year lease extension which provides some tenants with leases through December 2027, which is appreciated. For those with leases expiring prior to December 2025, however, longer-term lease extensions, up to five years, providing ***all tenants*** with extensions that take them through 2027, and ***allow all concessionaires the same opportunity*** to recoup losses that have been incurred, and will continue to be incurred until passenger traffic returns to pre-pandemic levels. Accordingly, the Airport Amendment is a critical legislative solution for the BWI airport concessionaire community, including employees, airport patrons, and the State of Maryland. Here is some important background:

- 1. Decimated Passenger Traffic Has Led to Millions of Dollars of Losses.** Airport concessionaires have been devastated by the COVID-19 pandemic and the associated decrease in enplanements and passenger traffic (currently down 65%-70% relative to 2019). This loss of passenger traffic has driven down revenue since the beginning of the pandemic (now approaching a full year) and has resulted in millions of dollars of losses.
- 2. The Employees and Entire Community at the State’s Flagship Airport are Harmed.** These long-term losses threaten the viability of concessionaire operations and therefore the jobs and livelihoods of airport employees, the investment and efforts of concession owners, the travel experience of airport patrons at BWI, and the revenue received by the State.
- 3. Rent Relief and Short-Term Extension aren’t Sufficient; Longer-Term Lease Extensions Needed.** The rent relief provided to date, and the universal *short-term* extension proposed by the Maryland Aviation Administration, while appreciated, aren’t sufficient for concessionaires with leases expiring prior to December 2025 to offset these devastating long-term losses and provide the cash needed to continue operations. For those with leases expiring prior to December 2025, longer-term lease extensions providing all tenants with extensions that take them through 2027 are needed to level the playing field and allow concessionaires an opportunity to recoup losses that have been incurred and will continue to be incurred for years to come. All industry sources indicate that airline travel is not expected to return to pre-pandemic levels for ***at least three years***. Moreover, longer-term lease extensions also provide the ability to secure capital to fund ongoing losses. See attached article from the Wall Street Journal documenting the 3 year time frame for industry recovery. Delta customer surveys forecast around 70% of pre-pandemic corporate travel will resume by 2023.

4. Longer-Term Lease Extension is a No-Cost Solution; Inaction is Costly. A longer-term lease extension costs the State no money, while inaction will lead to further concessionaire closures, depriving the State of much needed revenue provided by experienced operators once travel resumes, and leading to significant further job losses at the airport.

5. Lease Extensions Have Worked for Other Airports. Other airports (*e.g.*, Atlanta and Minneapolis-St. Paul), at the early stages of the pandemic put together similar economic support packages for concessionaires that include longer-term lease extensions that help ensure concessionaire viability as well as allow concessionaires to realize the potential of their investment and efforts once the pandemic is over.

This matter needs your urgent attention, as concessionaires cannot continue to lose money at such an incredible rate without assurance of a long-term post-pandemic future at BWI. We ask that as the Budget and Taxation Committee considers the Act, they favorably consider the addition of the Airport Amendment. Of course, we would appreciate the opportunity to speak with you as soon as possible. Please let us know a time that works for you.

Sincerely,

Silver Diner, Inc.

- 1) Creative Foods- 3 locations
 - Phillips Seafood - Local Maryland based
 - Sir Veza's Kitchen
 - Market Express
- 2) On Site Retailers - ACDBE 4 locations and partners in 3 others
 - Onsite News - 2 locations
 - Pinkberry Frozen Yogurt
 - Charm City Market
- 3) CRC Restaurants - Obryki's ACDBE Local owners 3 locations
 - Obryki's A
 - Obryki's B
 - R&R Seafood
- 4) Sky's the Limit of Maryland - Local 3 Locations
 - 2 Auntie Anne's Pretzel
 - 1 Auntie Anne's Pretzel/Cinnabon
- 5) D and D Food Company LLC/Star Global Hospitality - ACDBE 3 Locations
 - Arby's
 - 2 - Gachi Sushi
- 6) SUSDEWITT - ACDBE 2 locations
 - McDonalds - A/B
 - McDonalds - D
- 7) Travel Retail Solutions - 2 Locations
 - BGR The Burger Joint
 - Nature's Kitchen Fresh Café
- 8) Silver Diner Inc

THE WALL STREET JOURNAL.

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<https://www.wsj.com/articles/covid-19-pandemics-impact-on-business-travel-hitting-local-economies-11610879401>

U.S. ECONOMY

Covid-19's Blow to Business Travel Is Expected to Last for Years

Local jobs and economies take the brunt from the decline in corporate trips and conferences



International air travel, including that at Miami International Airport, seen in December, is down 90% through November compared with 2019.

PHOTO: JOE RAEDLE/GETTY IMAGES

By [Doug Cameron](#) and [Eric Morath](#)

Updated Jan. 17, 2021 9:23 am ET



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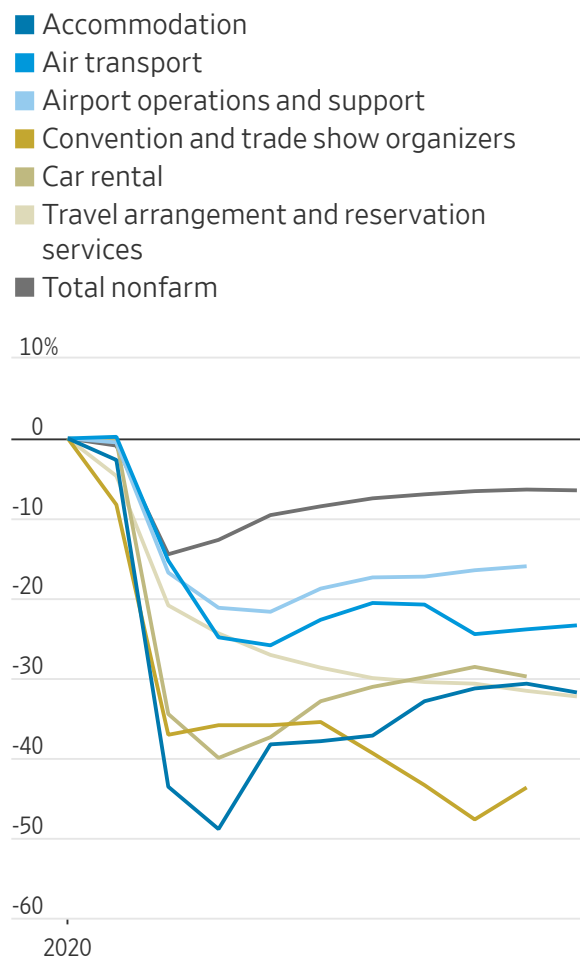
8 minutes

The coronavirus pandemic delivered a lingering, and possibly permanent, hit to business travel that is likely to weigh on employment and economic growth in some communities for years.

Beyond the blows to airlines, hotels, travel agents and rental-car companies, the drop in business travel is rippling through whole ecosystems of related commerce, including airport shops, downtown bars and restaurants, construction companies building convention stages, entertainers, taxi drivers and aircraft-parts manufacturers.

Domestic and international business travelers in the U.S. directly spent \$334.2 billion in 2019, supporting 2.5 million jobs, according to the U.S. Travel Association. But when considering the follow-on effects, it estimates the economic output and jobs supported by business travel were roughly double those figures before the pandemic.

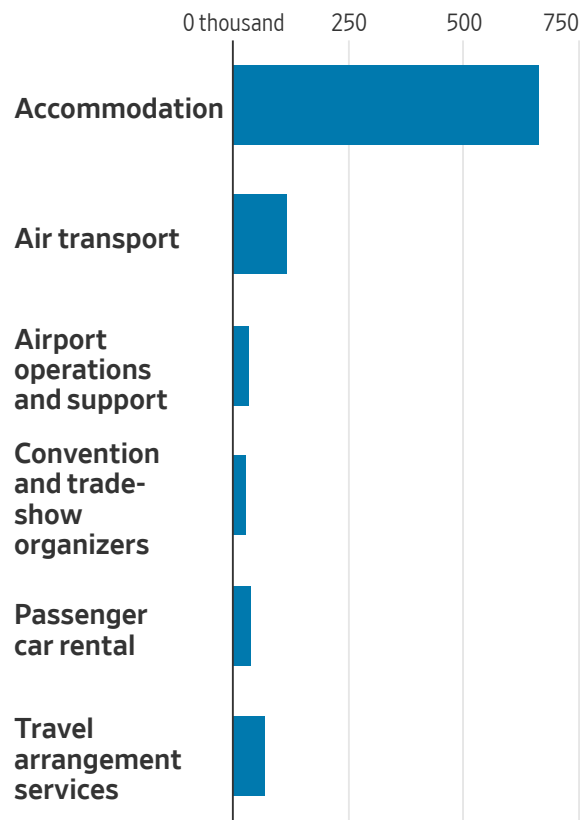
Change in employment for select travel-related sectors, from February 2020



Note: Seasonally adjusted
Source: Labor Department

Job Losses

Decline in employment from Feb. 2020 in select travel-related sectors



Note: Seasonally adjusted; Airport operations, convention organizers and car rental reflect job losses through November 2020, others through December 2020

Source: Labor Department

“When a large convention or event is happening, the entire city is involved,” said Tori Emerson Barnes, the association’s head of public affairs and policy. “The florist that provides the flowers, the dry cleaners that prepare the linens, the coffee shop that serves travelers. Whole downtown areas have been revitalized due to the meeting and events business, and they’ve really struggled this past year.”

When global restrictions to control the spread of Covid-19 were put into place last spring, businesses and road-warrior workers were forced to adjust, making sales calls and attending board meetings through videoconferences rather than on-site visits, and adapting to virtual training and networking instead of conference-center seminars.

Executives learned that remote work, to a degree, was more possible than they previously envisioned, which could lessen the need for some types of business travel in the future, even after vaccines conquer the coronavirus. And some companies stung by the pandemic’s economic effects may be slashing travel budgets to compensate for years of lower revenue.

Delta Air Lines Inc. Chief Executive Ed Bastian this past week said on an investor call that the airline's recent customer surveys forecast around 70% of pre-pandemic corporate travel will resume by 2023, including international trips.

In the near term, the travel business still faces painful adjustments. "Perhaps by the end of 2021, our assessment is that domestic business could be in the range of down 50% to 60%" from the pre-pandemic level, Southwest Airlines Co. CEO Gary Kelly said at an industry conference last month.

The job losses have already been severe. About one million travel-related jobs have been lost since February, according to the Labor Department, including more than 600,000 hotel positions and 120,000 airline and related staff. Also cut were thousands of positions in fields ranging from restaurants to aerospace manufacturing to convention-center operations.



Frank Culbertson was laid off from his job as an event custodian at the Oregon Convention Center in Portland.

PHOTO: FRANK CULBERTSON

Frank Culbertson, 62 years old, was laid off in March from his job as an event custodian at the Oregon Convention Center in Portland. He said it was a well-paying job he enjoyed, building stages, arranging seating, cleaning and directing visitors at events ranging from the Grand Prix of Portland race to trade shows to country music concerts.

His last day of work was March 16, when Oregon's Gov. Kate Brown, a Democrat, banned gatherings of more than 25 people. "Most everyone assumed it would be two months, max," Mr. Culbertson said. Events aren't expected to be scheduled at the center until the fall, and Mr. Culbertson said his union warned not to expect a return to the normal slate of events until 2023 or 2024.

"The international convention business has just evaporated," he said.

To get by, Mr. Culbertson applied for food assistance and public health care offered by the state. He has been unable to find employment, outside of a few shifts cleaning the convention center when it served as a shelter for wildfire victims last year. That has curtailed his ability to spend at locally owned shops he liked to frequent.

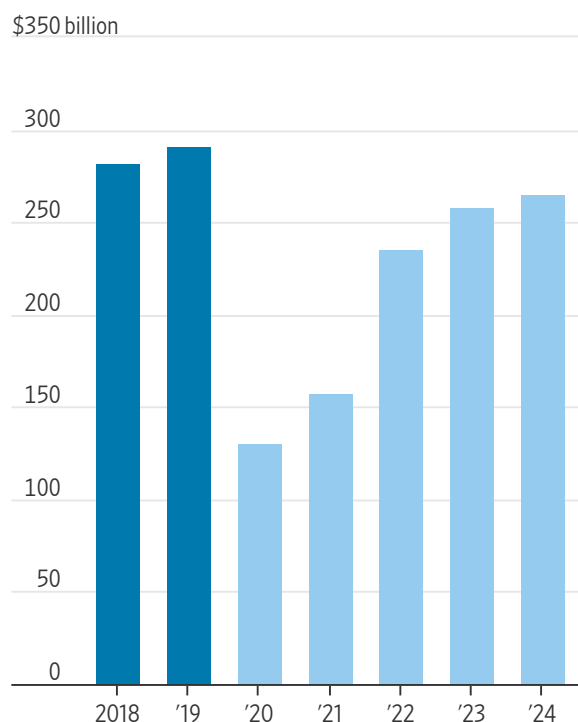
"I manage my money as carefully as possible because I don't know when my next job is coming," he said.

Meeting and event cancellations caused 70% of the convention center's workers to be laid off or have hours cut, according to its management.

"The global pandemic brought an immediate closure to large-scale venues resulting in economic impacts at a scale never seen in our lifetime," said Craig Stroud, Oregon Convention Center executive director. "When conventions and meetings resume, we will return to the generation of vast economic benefits for our region."

Travel Budget

Direct business travel spending in U.S., by U.S. residents



Note: 2020-2024 figures reflect Nov. 2020 forecast

Source: U.S. Travel Association

Travel industry executives and corporate leaders remain split on when—if ever—pre-pandemic levels of business travel will return. Some project a permanent decline, while others are more optimistic.

“There will be different types of travelers, different reasons for people traveling, but I think business travel has got a very, very strong opportunity to return over the next two years,” Delta’s Mr. Bastian said.

Big U.S. airlines typically generated half their profit from the higher fares paid by business travelers, who accounted for less than one-fifth of their seats before the pandemic.

Joseph Palma, 41, said he was laid off in March from a customer-service representative job at a unit of Spain’s Eulen SA, working for American Airlines Group Inc. at Miami International Airport. After the \$600 federal unemployment supplement expired at the end of July, he moved out of his apartment and into a small room. To save money, he limits trips to the grocery store and purchases bruised produce and food near expiration since it is less expensive.

He said he has applied for jobs at retailers, which are likely to pay less than the \$17 an hour he earned at the airport, but he hasn’t been called back. He said his feeling of despair

rivals that of when Hurricane Andrew struck the city when he was child.

“I thought Andrew was the end of the world, and I feel this way again,” he said. “There are no jobs for me in Miami.”

Mr. Palma’s challenge will be similar to that of other travel-industry workers. While jobs in airports and hotels tend to pay below-average wages, the pay is often better than at retailers and restaurants.



Joseph Palma was laid off in March from a customer-service representative job at Miami International Airport.

PHOTO: FRANCISCO AGUILA

Mr. Palma was among 600 Eulen employees laid off in Miami last spring. Since then, 191 have been rehired, a company spokesman said. Employees were laid off due to contract cancellations or suspensions from the airlines, he said. As airline passenger traffic improved, the company started rehiring workers as needed, though a December bump in bookings hasn’t carried through into the new year.

“People who worked for the airline industry and major hotel chains had reasonably well-paying jobs, and good job security. You could have a career there,” said Steven Davis, an economist at the University of Chicago. “Those folks who lost jobs could have a hard time getting back on that track.”

Overseas air travel has been hardest hit, down almost 90% through November compared with 2019, according to the International Air Transport Association. Travel bans, quarantines and a broader economic slowdown have forced companies to adjust sales and marketing practices to reduce or eliminate in-person meetings, especially overseas.

“Our teams have become very creative in how we continue very good sales work with our customers,” said Rob Smith, CEO of Konecranes Oyj, the Finland-based maker of heavy lifting equipment for ports and factories. Rather than send four or five staff to a customer, the company is sending a local representative with colleagues joining remotely. Mr. Smith said he expected reduced business travel would be part of the new normal.

Have you experienced job loss due to the Covid-19 pandemic? Tell us more about what you do, how you’ve been impacted, and what you know about the future of your employment here. To start, were you laid off or furloughed since March 1?*

Select one...

If you were laid off or furloughed, have you been recalled to work?*

Select one...

Name: *

Contact: *

City/state of residence: *

SUBMIT

By submitting your response to this questionnaire, you consent to Dow Jones processing your special categories of personal information and are indicating that your answers may be investigated and published by The Wall Street Journal and you are willing to be contacted by a Journal reporter to discuss your answers further. In an article on this subject, the Journal will not attribute your answers to you by name unless a reporter contacts you and you provide that consent.

Write to Doug Cameron at doug.cameron@wsj.com and Eric Morath at eric.morath@wsj.com

Appeared in the January 19, 2021, print edition as 'Virus's Blow to Business Travel to Linger.'

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TESTIMONY OF RAM - HB 1014 - Small Business COVID–

Uploaded by: Thompson, Melvin

Position: FWA



HOUSE BILL 1014

Small Business COVID-19 Relief Act of 2021

February 24, 2021

Position: FWA

Madame Chair and Members of the Ways and Means Committee:

The *Restaurant Association of Maryland* supports House Bill 1014, which would provide additional assistance to restaurant/foodservice businesses that continue to struggle to recover from the economic impact of the COVID pandemic.

However, we respectfully request an amendment to this bill to allow a restaurant/foodservice business (including caterers) to qualify for the loans, grants and tax deduction provided in the bill if they are under the established employee thresholds per physical location if using a unique employer identification number (EIN).

This would be similar to the U.S. Small Business Administration rules for Paycheck Protection Program (PPP) loans that allow restaurants to qualify for separate loans by physical location if using a unique EIN. This recognizes that the restaurant/foodservice industry has been disproportionately impacted by the pandemic and should not be subject to typical affiliation rules if operating as a separate legal business entity. This will provide assistance to more struggling restaurant/foodservice businesses and the jobs they provide.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, reading "Melvin R. Thompson".

Melvin R. Thompson
Senior Vice President
Government Affairs and Public Policy

HB 1014 Sm Bus COVID-19 Relief Act (Qi) W&M 2.25.2

Uploaded by: Wilkins, Barbara

Position: INFO

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Governor

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Lieutenant Governor



DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

HOUSE BILL 1014 Small Business COVID-19 Relief Act of 2021 Emergency Bill (Qi)

STATEMENT OF INFORMATION

DATE: February 25, 2021

COMMITTEE: House Ways & Means

SUMMARY OF BILL: HB 1014 expresses legislative intent that \$60 million of federal COVID-19 stimulus provided after Jan 1, 2021 shall be used to provide small business relief, if the use is a permissible one. Small business relief is provided through three different programs: (1) Emergency Loan Program (small businesses with 50 or less employees, which has experienced a 25% gross revenue decline within the months of March-June 2020 over March-June 2019); (2) Emergency Grant Fund (15 or less employees, which has experienced the 25% gross revenue decline during the March-June period) provides grants to counties for distribution to small businesses; and (3) Business Recovery Assistance Program (small business with 50 or less employees, which has experienced a 25% gross revenue decline during the March-June period) to be administered by the Small Business Development Network Center at the University of Maryland at College Park and assist small businesses to recover and adapt to a post-COVID business environment.

The bill also provides an income tax subtraction modification in the amount of \$100,000 in tax year 2020 for small businesses who employed 50 or less employees in calendar year 2019 and who earned \$5 million or less in gross revenues during calendar year 2019.

The Department of Budget and Management must notify the Department of Legislative Services within five days of receiving these federal funds; programs take effect upon this notification, if funding is received before Dec 31, 2021. If notice of the receipt of the eligible financial assistance is not received by the Department of Legislative Services on or before December 31, 2021, the three small business relief programs shall be null and void.

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; (2) \$22 million for \$12,000 grants to businesses that are Restaurants and Other Eating Places; (3) \$10 million for \$25,000 grants to businesses that are Hotels (except Casino Hotels) and Motels or Bed-and-Breakfast Inns; (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) \$5 million for grants to assist artists, art districts, or arts organizations; (7) \$2 million to help preserve the State's main street economies; and (8) \$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 \$67.5 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 assistance to businesses and non-profits through the Departments of Commerce, Housing and Community Development, and Labor, as well as TEDCO. **Total \$250 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, and any additional pandemic stimulus that may yet be enacted, to take effect on the State's economy. The Administration continues to evaluate the myriad of impacts associated with the ongoing pandemic and we 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**