**AN EXPEDITED ACT** to:

(1) establish a Public Health Emergency Grant Program;
(2) provide for the administration and eligibility criteria of the Program;
(3) authorize regulations to implement the program; and
(4) generally amend the law related to the Economic Development Fund.

By adding

Montgomery County Code
Chapter 20, Finance
Section 20-76F

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**Boldface**

*Heading or defined term.*

**Underlining**

*Added to existing law by original bill.*

[**Single boldface brackets**]

*Deleted from existing law by original bill.*

**Double underlining**

*Added by amendment.*

[[**Double boldface brackets**]]

*Deleted from existing law or the bill by amendment.*

**Existing law unaffected by bill.**

The County Council for Montgomery County, Maryland approves the following Act:
Sec. 1. Section 20-76F is added as follows:

20-76F. Public Health Emergency Grant Program.

(a) Definitions. As used in this Section:

Director means the Director of the Department of Finance or the Director’s designee.

Fund means the Economic Development Fund established under Section 20-73.

Local business means a for-profit or non-profit entity that:

(1) has its principal place of business in the County; and

(2) employs 100 or less full-time-equivalent employees.

Principal place of business in the County [[has the meaning stated in regulations adopted under Section 11B-81]] means a regular course of business commerce in the County by a business, along with any of the following:

(1) the business has its physical business location(s) only in the County; or

(2) the business has physical business locations both in and outside of the County, and the County-based location(s) account for over 50% of the business’s total number of employees, or over 50% of the business’s gross sales.

Public health emergency means a situation caused by the spread of a communicable disease in the County that results in a Federal, State, or County state of emergency order restricting business operation in the County.

Program means the Public Health Emergency Grant Program established under this Section.
Restaurant means any lunchroom, café, or other establishment located in a permanent building for the accommodation of the public, equipped with a kitchen containing facilities and utensils for preparing and serving meals to the public, and outfitted with a public dining area.

A restaurant includes a business with a license to serve alcoholic beverages for consumption on its premises.

Retail storefront establishment means a business engaged in the retail sale of goods or services to the public from a physical location in the County. Retail establishment includes a convenience store, shop, hair salon, barber shop, food truck, or restaurant, and any other sales outlet where a customer can buy goods or services in person.

Retail establishment includes a business engaged in the retail sale of goods or services to the public from a physical location in the County. Retail establishment includes a convenience store, shop, hair salon, barber shop, food truck, or restaurant, and any other sales outlet where a customer can buy goods or services in person.

(d) Grant Agreement. In order to receive financial assistance from the fund under the Program, a local business must enter into a grant agreement with the County, which must include the following:

(1) the County's right to audit financial records of the grantee;
(2) the County's right to multi fiscal years of the grantee;
(3) the grantee's obligation to remit to the County any unused or improperly used funds; and
(4) the grantee's obligation to remit to the County any unused or improperly used funds.

(e) Eligibility. The Director, based upon information submitted by the applicant, must find that:

(1) the applicant owns a local business;

(2) the local business has suffered significant financial losses caused directly or indirectly by a public health emergency.

(f) Establishment of Program. Subject to appropriation, the Director must create and administer a Public Health Emergency Grant Program to assist a local business that demonstrates significant financial losses caused directly or indirectly by a public health emergency.
(4) a certification by the applicant, under penalty of perjury, that the grant application and all documentation and statements in support of eligibility for funds are true and correct, and that the applicant understands that they may be prosecuted for any false statements made as part of the application.

(e) Financial assistance.

(1) The Director may award a grant from the Fund to an eligible local business under paragraph (c).

(2) The amount of a grant to a for-profit local business for financial losses during a public health emergency must not exceed $75,000.

(3) The amount of a grant to a non-profit local business for a reduction in earned operational revenue during a public health emergency must not exceed $75,000.

(4) The amount of a grant to a for-profit or a non-profit local business for the cost of purchasing technology equipment and software to facilitate employee teleworking during a public health emergency must not exceed $2,500.

(f) Guidelines for Grants. A grant under paragraph (2) or (3):

[(5)] (1) [[A grant under paragraph (2) or (3)]] must be calculated by reviewing documentation of lost revenue and may be used [[to]] for employee wages and benefits, taxes, debt, rent, or other operating losses[[.]];

(2) must require the repayment of County grant funds used for any expenses that have been reimbursed by the Federal or State governments;

(3) must not reimburse a business for losses that are reimbursed through an insurance policy purchased by the business; and
must not reimburse a business for wages paid to an employee for a time period the employee is eligible for unemployment insurance benefits.

(g) Restaurant and Retail Storefront Establishment. The Executive must reserve one-quarter of the funds appropriated for the public health emergency for local businesses that operate a restaurant or a retail storefront establishment.

(h) Regulations. The Executive may adopt Method 2 regulations to implement this Section. The regulations must specify the application procedures and eligibility criteria for a grant to a local business under the Program.

(i) Outreach. The Executive must designate an employee to lead an effort to notify local businesses throughout the County about this Program and other available government programs that may help with an economic recovery. The outreach should emphasize businesses located in hard to reach communities and assist businesses on how to apply for a grant or loan. The Executive may issue an emergency contract to retain one or more vendors to assist businesses located in hard to reach communities to maximize the emergency grant funds these local businesses receive.

(j) Reports. On or before March 31 of each year, the Executive must report to the Council on the activities of the Program. The report must include:

(1) the number of local businesses participating in the Program;

(2) the number and dollar amount of grants made; and

(3) an evaluation of the impact of the Program on economic development within the County.
Sec. 2. Expedited Effective Date.

The Council declares that this legislation is necessary for the immediate protection of the public interest. This Act takes effect on the date on which it becomes law.
Approved:

Sidney Katz, President, County Council

Date 3/31/20

Approved:

Marc Elrich, County Executive

Date 4/3/20

This is a correct copy of Council action.

Selena Mendy Singleton, Esq., Clerk of the Council

Date 4/6/20