

Expedited Bill No. 16-20
Concerning: Economic Development
Fund – Public Health Emergency
Grant Program – Established
Revised: 3/31/2020 Draft No. 8
Introduced: March 24, 2020
Enacted: March 31, 2020
Executive: April 3, 2020
Effective: April 3, 2020
Sunset Date: None
Ch. 9, Laws of Mont. Co. 2020

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: County Council

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

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Section 20-76F is added as follows:**

2 **20-76F. Public Health Emergency Grant Program.**

3 (a) Definitions. As used in this Section:

4 Director means the Director of the Department of Finance or the
5 Director's designee.

6 Fund means the Economic Development Fund established under Section
7 20-73.

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

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

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

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

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

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

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

25 Program means the Public Health Emergency Grant Program established
26 under this Section.

27 Restaurant means any lunchroom, café, or other establishment located in
28 a permanent building for the accommodation of the public, equipped with
29 a kitchen containing facilities and utensils for preparing and serving
30 meals to the public, and outfitted with a public dining area. A restaurant
31 includes a business with a license to serve alcoholic beverages for
32 consumption on its premises.

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

38 (b) Establishment of Program. Subject to appropriation, the Director must
39 create and administer a Public Health Emergency Grant Program to assist
40 a local business that demonstrates significant financial loss caused
41 directly or indirectly by a public health emergency.

42 (c) Eligibility. The Director, based upon information submitted by the
43 applicant for assistance, must find that:

- 44 (1) the applicant owns a local business; and
45 (2) the local business has suffered significant financial losses caused
46 directly or indirectly by a public health emergency.

47 (d) Grant Agreement. In order to receive financial assistance from the Fund
48 under the Program, a local business must enter into a grant agreement
49 with the County, which must include [[conditions related to]]:

- 50 (1) the County's right to audit financial records of the grantee;
51 (2) the grantee's reporting obligations to the Director; [[and]]
52 (3) the grantee's obligation to remit to the County any unused or
53 improperly used funds; and

54 (4) a certification by the applicant, under penalty of perjury, that the
 55 grant application and all documentation and statements in support
 56 of eligibility for funds are true and correct, and that the applicant
 57 understands that they may be prosecuted for any false statements
 58 made as part of the application.

59 (e) *Financial assistance.*

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

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

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

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

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

72 [(5)] (1) [[A grant under paragraph (2) or (3)]] must be calculated by
 73 reviewing documentation of lost revenue and may be used [[to]]
 74 for employee wages and benefits, taxes, debt, rent, or other
 75 operating losses[.];

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

79 (3) must not reimburse a business for losses that are reimbursed
 80 through an insurance policy purchased by the business; and

81 (4) must not reimburse a business for wages paid to an employee for
 82 a time period the employee is eligible for unemployment insurance
 83 benefits.

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

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

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

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

- 104 (1) the number of local businesses participating in the Program;
 105 (2) the number and dollar amount of grants made; and
 106 (3) an evaluation of the impact of the Program on economic
 107 development within the County.

108 **Sec. 2. Expedited Effective Date.**

109 The Council declares that this legislation is necessary for the immediate
110 protection of the public interest. This Act takes effect on the date on which it becomes
111 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