

# SENATE BILL 740

C8

EMERGENCY BILL

1lr2122

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By: **Senator Rosapepe**

Introduced and read first time: February 5, 2021

Assigned to: Finance and Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

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

4 FOR the purpose of establishing the Maryland COVID–19 Small Business Grant Program  
5 in the Department of Commerce; establishing the purpose of the Program; requiring  
6 the Department, subject to certain circumstances, to distribute to each county  
7 certain funds in a certain manner for the purpose of providing grants to certain  
8 eligible small businesses located in the county; authorizing a county to apply to the  
9 Department for a distribution of funds in accordance with this Act; authorizing a  
10 county to designate a certain entity to receive and distribute certain funds;  
11 authorizing a county, subject to a certain condition, to establish certain criteria with  
12 respect to grants issued in accordance with this Act; requiring a grant under the  
13 Program to be funded in a certain manner; declaring the intent of the General  
14 Assembly; requiring the Department to report certain information to the General  
15 Assembly on or before a certain date; defining certain terms; making this Act an  
16 emergency measure; providing for the termination of this Act; and generally relating  
17 to COVID–19 relief for small businesses.

18 BY repealing and reenacting, without amendments,  
19 Article – Economic Development  
20 Section 1–101(a) and (c)  
21 Annotated Code of Maryland  
22 (2018 Replacement Volume and 2020 Supplement)

23 BY adding to  
24 Article – Economic Development  
25 Section 5–1701 through 5–1704 to be under the new subtitle “Subtitle 17. Maryland  
26 COVID–19 Small Business Grant Program”  
27 Annotated Code of Maryland  
28 (2018 Replacement Volume and 2020 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
2 That the Laws of Maryland read as follows:

3 **Article – Economic Development**

4 1–101.

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

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

7 **SUBTITLE 17. MARYLAND COVID–19 SMALL BUSINESS GRANT PROGRAM.**

8 **5–1701.**

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

11 (B) “PROGRAM” MEANS THE MARYLAND COVID–19 SMALL BUSINESS  
12 GRANT PROGRAM.

13 (C) “SMALL BUSINESS” MEANS AN ENTITY THAT:

14 (1) IS INDEPENDENTLY OWNED AND OPERATED, INCLUDING SOLE  
15 PROPRIETORSHIPS;

16 (2) IS NOT A SUBSIDIARY OF ANOTHER FIRM;

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

18 (4) DID NOT EMPLOY IN ITS OPERATIONS MORE THAN 50 FULL–TIME  
19 EQUIVALENT EMPLOYEES DURING CALENDAR YEAR 2019.

20 **5–1702.**

21 (A) THERE IS A MARYLAND COVID–19 SMALL BUSINESS GRANT  
22 PROGRAM IN THE DEPARTMENT.

23 (B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE FUNDING TO EACH  
24 COUNTY TO ISSUE EMERGENCY RELIEF FUNDING DURING CALENDAR YEARS 2021  
25 AND 2022 TO SMALL BUSINESSES LOCATED IN THE COUNTY THAT HAVE  
26 EXPERIENCED AT LEAST A 25% REDUCTION IN GROSS RECEIPTS DURING THE  
27 COVID–19 PANDEMIC RESULTING FROM EITHER:

1           **(1) LOCAL, STATE, OR FEDERAL COVID-19 QUARANTINE RULES; OR**

2           **(2) MARKET FORCES.**

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

4 **5-1703.**

5           **(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, TO CARRY OUT THE**  
6 **PURPOSES OF THE PROGRAM, THE DEPARTMENT SHALL DISTRIBUTE TO EACH**  
7 **COUNTY A PORTION OF FUNDS FROM THE PROGRAM ON A PER CAPITA BASIS.**

8           **(B) (1) A COUNTY MAY APPLY TO THE DEPARTMENT FOR A DISTRIBUTION**  
9 **OF FUNDS IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION FOR THE**  
10 **PURPOSE OF PROVIDING GRANTS TO ELIGIBLE SMALL BUSINESSES LOCATED IN THE**  
11 **COUNTY.**

12           **(2) THE COUNTY MAY DESIGNATE A COUNTY ENTITY TO RECEIVE AND**  
13 **DISTRIBUTE THE FUNDS ALLOCATED UNDER SUBSECTION (A) OF THIS SECTION.**

14           **(3) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, THE COUNTY**  
15 **MAY ESTABLISH ELIGIBILITY AND APPLICATION REQUIREMENTS FOR GRANTS**  
16 **ISSUED IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION, THE AMOUNT**  
17 **OF THE GRANTS, AND THE PURPOSES FOR WHICH THE GRANTS MAY BE EXPENDED.**

18           **(4) IF THE SMALL BUSINESS IS PARTICIPATING IN THE WORK**  
19 **SHARING UNEMPLOYMENT INSURANCE PROGRAM ESTABLISHED UNDER TITLE 8,**  
20 **SUBTITLE 12 OF THE LABOR AND EMPLOYMENT ARTICLE AT THE TIME OF**  
21 **APPLICATION FOR THE GRANT UNDER THE PROGRAM, THE COUNTY OR THE**  
22 **COUNTY'S DESIGNEE SHALL AWARD AN ADDITIONAL AMOUNT EQUAL TO 10% OF THE**  
23 **AMOUNT THAT THE SMALL BUSINESS WOULD OTHERWISE RECEIVE UNDER THIS**  
24 **SUBSECTION.**

25           **(C) (1) A GRANT UNDER THE PROGRAM SHALL BE FUNDED THROUGH:**

26                   **(I) TO THE EXTENT AVAILABLE, FEDERAL CORONAVIRUS**  
27 **RELIEF MONEY PROVIDED TO THE STATE; AND**

28                   **(II) TO THE EXTENT THAT FUNDING DESCRIBED UNDER ITEM (I)**  
29 **OF THIS PARAGRAPH IS NOT AVAILABLE, STATE CORONAVIRUS RELIEF FUNDING**  
30 **DESIGNATED FOR THE PROGRAM.**

31           **(2) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT**

1 **\$100,000,000 IN FEDERAL AND STATE FUNDS SHALL BE DESIGNATED FOR THE**  
2 **PROGRAM.**

3 **5-1704.**

4 **(A) ON OR BEFORE MARCH 1, 2021, THE DEPARTMENT SHALL REPORT TO**  
5 **THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE**  
6 **GOVERNMENT ARTICLE, ON THE ELIGIBILITY CRITERIA AND APPLICATION**  
7 **PROCEDURES OF EACH COUNTY RECEIVING FUNDS TO PROVIDE GRANTS UNDER THE**  
8 **PROGRAM AND THE AMOUNT OF THE GRANTS TO BE AWARDED TO BUSINESSES BY**  
9 **THE COUNTY.**

10 **(B) ON OR BEFORE JUNE 1, 2021, AND EVERY 3 MONTHS THEREAFTER, THE**  
11 **DEPARTMENT SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH**  
12 **§ 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON FUNDING SOURCES FOR THE**  
13 **PROGRAM, DISBURSEMENTS MADE THROUGH THE PROGRAM, THE INDUSTRY**  
14 **SECTORS AND DEMOGRAPHIC INFORMATION OF SMALL BUSINESS ENTITIES**  
15 **ASSISTED BY THE PROGRAM, AND ANY OTHER RELEVANT ISSUES THE DEPARTMENT**  
16 **IDENTIFIES WITH RESPECT TO THE PROGRAM.**

17 **SECTION 2. AND BE IT FURTHER ENACTED,** That this Act is an emergency  
18 measure, is necessary for the immediate preservation of the public health or safety, has  
19 been passed by a ye and nay vote supported by three-fifths of all the members elected to  
20 each of the two Houses of the General Assembly, and shall take effect from the date it is  
21 enacted. It shall remain effective through June 30, 2024, and, at the end of June 30, 2024,  
22 this Act, with no further action required by the General Assembly, shall be abrogated and  
23 of no further force and effect.