



Committee Directly to Council
Staff: Robert H. Drummer, Senior Legislative Attorney
Purpose: To introduce agenda item – no vote expected
Keywords: #COVID19EconomicRelief
Search terms: COVID-19, economic relief, grants

AGENDA ITEM #3.5
March 24, 2020
Introduction

SUBJECT

Expedited Bill 16-20, Economic Development Fund – Public Health Emergency Grant Program –
Established
Lead Sponsor: County Council

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- To introduce Bill – no vote expected.

DESCRIPTION/ISSUE

Expedited Bill 16-20 would:

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

SUMMARY OF KEY DISCUSSION POINTS

- The criteria for eligibility for the grant program.

This report contains:

Staff Report

Expedited Bill 16-20

Legislative Request Report

Page 1

©1

©5

Alternative format requests for people with disabilities. If you need assistance accessing this report you may submit alternative format requests to the ADA Compliance Manager. The ADA Compliance Manager can also be reached at 240-777-6197 (TTY 240-777-6196) or at adacompliance@montgomerycountymd.gov

MEMORANDUM

March 23, 2020

TO: County Council

FROM: Robert H. Drummer, Senior Legislative Attorney

SUBJECT: Expedited Bill 16-20, Economic Development Fund – Public Health Emergency Grant Program – Established¹

PURPOSE: Introduction – no Council votes required

Expedited Bill 16-20, Economic Development Fund – Public Health Emergency Grant Program – Established, sponsored by the County Council, is scheduled to be introduced on March 24, 2020. A public hearing followed by action is tentatively scheduled for March 31.²

Expedited Bill 16-20 would:

- establish a Public Health Emergency Grant Program;
- provide for the administration and eligibility criteria of the Program; and
- authorize regulations to implement the program.

Background

A new coronavirus disease, called Covid-19, has spread extremely quickly, making its way to over 100 countries, including the United States. On March 11, the World Health Organization officially declared the Covid-19 viral disease a pandemic. The number of new cases in the United States is growing quickly and has spread to each of the 50 States and the District of Columbia, Puerto Rico, Guam, and the U.S. Virgin Islands. To slow the spread of this communicable disease, Governor Hogan issued several emergency orders including closing all non-essential businesses, restricting public transit, closing schools, prohibiting public gatherings of 10 persons or more, and postponing the Presidential Primary Election in Maryland.

Although County government operations are continuing during this pandemic, County employees are using situational teleworking wherever possible to perform their duties. Due to the need to limit person to person contact, many County residents have lost paychecks and many County businesses and non-profits have lost revenue.

¹#COVID19EconomicRelief

Search terms: COVID-19, economic relief, grants

Expedited Bill 16-20 is an emergency action to establish a new Public Health Emergency Grant Program in the existing Economic Development Fund to respond to the significant financial hardship many County residents and businesses have experienced due to the Covid-19 pandemic. The Program would authorize grants to a local for-profit or non-profit business that has its principal place of business in the County and employs 100 or less full-time equivalent employees. The maximum grant for financial losses due to a public health emergency, such as the Covid-19 pandemic, would be \$75,000. The Bill would also authorize the Director of Finance to award mini-grants to an eligible for-profit or non-profit business up to \$2500 to reimburse the business for costs incurred to purchase technology equipment and software to facilitate employee teleworking during the public health emergency.

The Public Health Emergency Grant Program would be subject to Council appropriation. The Council tentatively plans to introduce a special appropriation to fund this Program along with the Bill.

This packet contains:	<u>Circle #</u>
Expedited Bill 16-20	1
Legislative Request Report	5

F:\LAW\BILLS\2016 EDF Public Health Emergency Grant Fund\Intro Memo.Docx

Expedited Bill No. 16-20
Concerning: Economic Development
Fund – Public Health Emergency
Grant Program – Established
Revised: 3/23/2020 Draft No. 6
Introduced: March 24, 2020
Expires: September 24, 2021
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

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 has the meaning stated in regulations adopted
12 under Section 11B-81.

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

17 Program means the Public Health Emergency Grant Program established
18 under this Section.

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

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

25 (1) the applicant owns a local business; and

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

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

- 31 (1) the County's right to audit financial records of the grantee;
32 (2) the grantee's reporting obligations to the Director; and
33 (3) the grantee's obligation to remit to the County any unused or
34 improperly used funds.

35 (e) Financial assistance.

- 36 (1) The Director may award a grant from the Fund to an eligible local
37 business under paragraph (c).
38 (2) The amount of a grant to a for-profit local business for financial
39 losses during a public health emergency must not exceed \$75,000.
40 (3) The amount of a grant to a non-profit local business for a reduction
41 in earned operational revenue during a public health emergency
42 must not exceed \$75,000.
43 (4) The amount of a grant to a for-profit or a non-profit local business
44 for the cost of purchasing technology equipment and software to
45 facilitate employee teleworking during a public health emergency
46 must not exceed \$2,500.
47 (5) A grant under paragraph (2) or (3) may be used to for employee
48 wages and benefits, taxes, debt, rent, or other operating losses.

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

53 (g) Outreach. The Executive must designate an employee to lead an effort
54 to notify local businesses throughout the County about this Program and

55 other available government programs that may help with an economic
56 recovery. The outreach should emphasize businesses located in hard to
57 reach communities.

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

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

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

62 (3) an evaluation of the impact of the Program on economic
63 development within the County.

64 **Sec. 2. Expedited Effective Date.**

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

LEGISLATIVE REQUEST REPORT

Expedited Bill 16-20, Economic Development Fund – Public Health Emergency Grant Program – Established

DESCRIPTION:	Expedited Bill 16-20 would: <ul style="list-style-type: none">• establish a Public Health Emergency Grant Program;• provide for the administration and eligibility criteria of the Program; and• authorize regulations to implement the program.
PROBLEM:	The Covid-19 pandemic has created significant financial hardship to County residents and businesses.
GOALS AND OBJECTIVES:	Provide some financial relief to County businesses during the pandemic.
COORDINATION:	Finance, Procurement, OMB
FISCAL IMPACT:	To be requested.
ECONOMIC IMPACT:	To be requested.
EVALUATION:	To be requested.
EXPERIENCE ELSEWHERE:	To be researched.
SOURCE OF INFORMATION:	Robert H. Drummer, Senior Legislative Attorney
APPLICATION WITHIN MUNICIPALITIES:	To be researched.
PENALTIES:	NA