

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: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: None  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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Lead Sponsor: County Council

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**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

<b>Boldface</b>	<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:*

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Sidney Katz, President, County Council

Date

*Approved:*

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Marc Elrich, County Executive

Date

*This is a correct copy of Council action.*

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Selena Mendy Singleton, Esq., Clerk of the Council

Date