SUBJECT

Expeditied 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

Expeditied 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:

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Legislative Request Report

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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 – Established

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:

Expedited Bill 16-20
Legislative Request Report

Circle #
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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

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

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.

(b) 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 loss caused directly or indirectly by a public health emergency.

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

(1) the applicant owns a local business; and

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

1. the County’s right to audit financial records of the grantee;
2. the grantee’s reporting obligations to the Director; and
3. the grantee’s obligation to remit to the County any unused or improperly used funds.

(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.
5. A grant under paragraph (2) or (3) may be used to for employee wages and benefits, taxes, debt, rent, or other operating losses.

(f) **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.

(g) **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.

(h) 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.
LEGISLATIVE REQUEST REPORT

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

**DESCRIPTION:** 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.

**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