

# SENATE BILL 772

C8, Q3

EMERGENCY BILL

1lr1474  
CF HB 1014

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By: **Senator Hester**

Introduced and read first time: February 5, 2021

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Small Business COVID-19 Relief Act of 2021**

3 FOR the purpose of establishing the Maryland COVID-19 Emergency Loan Program in the  
4 Department of Commerce; establishing the purposes of the Emergency Loan  
5 Program; authorizing the Department to carry out the purposes of the Emergency  
6 Loan Program and to make loans to certain eligible small businesses under certain  
7 circumstances; authorizing an eligible small business to apply for a loan under the  
8 Emergency Loan Program for certain purposes under certain circumstances;  
9 requiring the Department, subject to certain circumstances, to prioritize approving  
10 loans for applicants in a certain manner and specify the terms of the loan;  
11 establishing the Maryland COVID-19 Emergency Grant Program in the  
12 Department; establishing the purposes of the Emergency Grant Program; requiring  
13 the Department, subject to certain circumstances, to distribute to each county  
14 certain funds in a certain manner for the purpose of providing grants to certain  
15 eligible small businesses located in the county; authorizing a county to apply to the  
16 Department for a distribution of funds in accordance with this Act; authorizing a  
17 county to establish certain criteria for grants issued in accordance with this Act;  
18 establishing the Maryland COVID-19 Business Recovery Assistance Program in the  
19 Small Business Development Center (SBDC) Network; establishing the purposes of  
20 the Business Recovery Assistance Program; authorizing a certain eligible small  
21 business to apply to participate in the Business Recovery Assistance Program;  
22 requiring the SBDC Network to prioritize approving applications to participate in  
23 the Business Recovery Assistance Program in a certain manner; requiring the SBDC  
24 Network, subject to availability of certain funds, to provide an eligible small business  
25 participating in the Business Recovery Assistance Program access to certain  
26 business support services; establishing the Maryland COVID-19 Emergency Loan  
27 Fund, the Maryland COVID-19 Emergency Grant Fund, and the Maryland  
28 COVID-19 Business Recovery Assistance Fund as special, nonlapsing funds;  
29 specifying the purposes of the funds; requiring certain persons to administer the  
30 funds; requiring the State Treasurer to hold the funds and the Comptroller to  
31 account for the funds; specifying the contents of the funds; specifying the purposes

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 for which the funds may be used; providing for the investment of money in and  
2 expenditures from the funds; declaring the intent of the General Assembly; allowing  
3 a subtraction modification under the Maryland income tax for a certain amount of  
4 income earned by certain small businesses for a certain taxable year; defining certain  
5 terms; providing for the application of certain provisions of this Act; providing for  
6 the construction of certain provisions of this Act; making certain provisions of this  
7 Act subject to a certain contingency; making this Act an emergency measure; and  
8 generally relating to assistance for small businesses recovering from the coronavirus  
9 pandemic.

10 BY repealing and reenacting, without amendments,  
11 Article – Economic Development  
12 Section 1–101(a), (c), and (e)  
13 Annotated Code of Maryland  
14 (2018 Replacement Volume and 2020 Supplement)

15 BY adding to  
16 Article – Economic Development  
17 Section 5–1701 through 5–1704 to be under the new subtitle “Subtitle 17. Maryland  
18 COVID–19 Emergency Loan Program”; 5–1801 through 5–1804 to be under  
19 the new subtitle “Subtitle 18. Maryland COVID–19 Emergency Grant  
20 Program”; and 10–1001 through 10–1004 to be under the new subtitle  
21 “Subtitle 10. Maryland COVID–19 Business Recovery Assistance Program”  
22 Annotated Code of Maryland  
23 (2018 Replacement Volume and 2020 Supplement)

24 BY repealing and reenacting, without amendments,  
25 Article – Tax – General  
26 Section 10–207(a) and 10–307(a)  
27 Annotated Code of Maryland  
28 (2016 Replacement Volume and 2020 Supplement)

29 BY adding to  
30 Article – Tax – General  
31 Section 10–207(jj)  
32 Annotated Code of Maryland  
33 (2016 Replacement Volume and 2020 Supplement)

34 BY repealing and reenacting, with amendments,  
35 Article – Tax – General  
36 Section 10–307(g)  
37 Annotated Code of Maryland  
38 (2016 Replacement Volume and 2020 Supplement)

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

1 **Article – Economic Development**

2 1–101.

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

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

5 (e) “Secretary” means the Secretary of Commerce.

6 **SUBTITLE 17. MARYLAND COVID–19 EMERGENCY LOAN PROGRAM.**

7 **5–1701.**

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

10 **(B) “ELIGIBLE SMALL BUSINESS” MEANS A SMALL, MINORITY, OR**  
11 **WOMEN–OWNED BUSINESS THAT:**

12 **(1) IS INDEPENDENTLY OWNED AND OPERATED;**

13 **(2) IS NOT A SUBSIDIARY OF ANOTHER BUSINESS;**

14 **(3) IS NOT DOMINANT IN ITS FIELD OF OPERATION;**

15 **(4) IS IN GOOD STANDING WITH THE STATE;**

16 **(5) DID NOT EMPLOY IN ITS OPERATIONS MORE THAN 50 FULL–TIME**  
17 **EQUIVALENT EMPLOYEES DURING CALENDAR YEAR 2019; AND**

18 **(6) HAS EXPERIENCED A REDUCTION IN GROSS REVENUE OF AT LEAST**  
19 **25%, AS DETERMINED BY:**

20 **(I) FOR A SMALL BUSINESS THAT BEGAN OPERATING BEFORE**  
21 **JULY 1, 2019, THE DIFFERENCE BETWEEN THE REVENUE FOR THE PERIOD OF**  
22 **MARCH THROUGH JUNE 2020 AND THE REVENUE FOR THE PERIOD OF MARCH**  
23 **THROUGH JUNE 2019; AND**

24 **(II) FOR A SMALL BUSINESS THAT BEGAN OPERATING ON OR**  
25 **AFTER JULY 1, 2019, THE DIFFERENCE BETWEEN THE SUM OF REVENUE FOR THE**  
26 **PERIOD OF MARCH THROUGH JUNE 2020 AND THE AMOUNT EQUAL TO FOUR TIMES**  
27 **THE REVENUE FOR FEBRUARY 2020.**

1 (C) "FUND" MEANS THE MARYLAND COVID-19 EMERGENCY LOAN FUND.

2 (D) "PROGRAM" MEANS THE MARYLAND COVID-19 EMERGENCY LOAN  
3 PROGRAM.

4 5-1702.

5 (A) THERE IS A MARYLAND COVID-19 EMERGENCY LOAN PROGRAM IN  
6 THE DEPARTMENT.

7 (B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE WORKING CAPITAL TO  
8 ASSIST MARYLAND FOR-PROFIT SMALL BUSINESSES, THE OPERATIONS OF WHICH  
9 HAVE BEEN DISRUPTED DUE TO COVID-19, AND OFFER INTERIM RELIEF  
10 COMPLEMENTING ACTIONS WITH THOSE BUSINESSES' BANKS, BUSINESS  
11 INTERRUPTION INSURANCE, AND FINANCIAL PARTNERS.

12 (C) THE DEPARTMENT SHALL ADMINISTER THE PROGRAM.

13 5-1703.

14 (A) TO CARRY OUT THE PURPOSES OF THE PROGRAM, THE DEPARTMENT  
15 MAY MAKE LOANS IN ACCORDANCE WITH THIS SECTION TO ELIGIBLE SMALL  
16 BUSINESSES.

17 (B) (1) AN ELIGIBLE SMALL BUSINESS MAY APPLY FOR A LOAN UNDER  
18 THE PROGRAM IF THE ELIGIBLE SMALL BUSINESS:

19 (I) HAS EMPLOYEES ON ITS PAYROLL FOR WHOM PAYROLL  
20 TAXES HAVE BEEN WITHHELD; AND

21 (II) DEMONSTRATES FINANCIAL STRESS OR DISRUPTED  
22 OPERATIONS.

23 (2) THE DEPARTMENT MAY SPECIFY ADDITIONAL ELIGIBILITY AND  
24 APPLICATION REQUIREMENTS FOR A LOAN UNDER THE PROGRAM.

25 (3) THE DEPARTMENT SHALL PRIORITIZE APPROVING LOANS FOR  
26 APPLICANTS IN THE FOLLOWING ORDER:

27 (I) ELIGIBLE SMALL BUSINESSES WITH 10 OR FEWER  
28 FULL-TIME EQUIVALENT EMPLOYEES;

1                   **(II) ELIGIBLE SMALL BUSINESSES WITH MORE THAN 10 BUT NO**  
2 **MORE THAN 25 FULL-TIME EQUIVALENT EMPLOYEES; AND**

3                   **(III) ELIGIBLE SMALL BUSINESSES WITH MORE THAN 25**  
4 **FULL-TIME EQUIVALENT EMPLOYEES.**

5           **(C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE**  
6 **DEPARTMENT SHALL SPECIFY THE TERMS OF THE LOAN.**

7                   **(2) THE LOAN:**

8                   **(I) SHALL BE INTEREST-FREE FOR AT LEAST THE FIRST 12**  
9 **MONTHS OF THE TERM OF THE LOAN; AND**

10                   **(II) MAY NOT REQUIRE THE PROVISION OF ANY COLLATERAL.**

11           **(D) A LOAN ISSUED UNDER THE PROGRAM MAY BE UTILIZED FOR:**

12                   **(1) WORKING CAPITAL TO SUPPORT PAYROLL EXPENSES;**

13                   **(2) RENT OR MORTGAGE EXPENSES;**

14                   **(3) UTILITY EXPENSES; OR**

15                   **(4) OTHER SIMILAR EXPENSES THAT OCCUR IN THE ORDINARY**  
16 **COURSE OF OPERATIONS.**

17 **5-1704.**

18           **(A) THERE IS A MARYLAND COVID-19 EMERGENCY LOAN FUND.**

19           **(B) THE PURPOSE OF THE FUND IS TO PROVIDE LOANS TO ELIGIBLE SMALL**  
20 **BUSINESSES IN ACCORDANCE WITH § 5-1703 OF THIS SUBTITLE.**

21           **(C) THE SECRETARY SHALL ADMINISTER THE FUND.**

22           **(D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**  
23 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

24                   **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**  
25 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

26           **(E) THE FUND CONSISTS OF:**

1           **(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND**

2           **(2) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**  
3 **THE BENEFIT OF THE FUND.**

4           **(F) THE FUND MAY BE USED ONLY FOR PROVIDING LOANS UNDER THE**  
5 **PROGRAM.**

6           **(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**  
7 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

8           **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**  
9 **THE GENERAL FUND OF THE STATE.**

10           **(H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**  
11 **WITH THE STATE BUDGET.**

12           **(I) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT \$20,000,000 OF**  
13 **FINANCIAL ASSISTANCE PROVIDED BY THE FEDERAL GOVERNMENT TO THE STATE**  
14 **IN RESPONSE TO THE CORONAVIRUS PANDEMIC ON OR AFTER JANUARY 1, 2021, BE**  
15 **DISTRIBUTED TO THE FUND, IF THE PURPOSES OF THE PROGRAM ARE A**  
16 **PERMISSIBLE USE OF THE FINANCIAL ASSISTANCE.**

17           **SUBTITLE 18. MARYLAND COVID-19 EMERGENCY GRANT PROGRAM.**

18 **5-1801.**

19           **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**  
20 **INDICATED.**

21           **(B) “ELIGIBLE SMALL BUSINESS” MEANS A BUSINESS THAT:**

22                   **(1) IS INDEPENDENTLY OWNED AND OPERATED;**

23                   **(2) IS NOT A SUBSIDIARY OF ANOTHER BUSINESS;**

24                   **(3) IS NOT DOMINANT IN ITS FIELD OF OPERATION;**

25                   **(4) IS IN GOOD STANDING WITH THE STATE;**

26                   **(5) DID NOT EMPLOY IN ITS OPERATIONS MORE THAN 15 FULL-TIME**  
27 **EQUIVALENT EMPLOYEES DURING CALENDAR YEAR 2019; AND**

1           **(6) HAS EXPERIENCED A REDUCTION IN GROSS REVENUE OF AT LEAST**  
2 **25%, AS DETERMINED BY:**

3           **(I) FOR A SMALL BUSINESS THAT BEGAN OPERATING BEFORE**  
4 **JULY 1, 2019, THE DIFFERENCE BETWEEN THE REVENUE FOR THE PERIOD OF**  
5 **MARCH THROUGH JUNE 2020 AND THE REVENUE FOR THE PERIOD OF MARCH**  
6 **THROUGH JUNE 2019; AND**

7           **(II) FOR A SMALL BUSINESS THAT BEGAN OPERATING ON OR**  
8 **AFTER JULY 1, 2019, THE DIFFERENCE BETWEEN THE SUM OF REVENUE FOR THE**  
9 **PERIOD OF MARCH THROUGH JUNE 2020 AND THE AMOUNT EQUAL TO FOUR TIMES**  
10 **THE REVENUE FOR FEBRUARY 2020.**

11           **(C) “FUND” MEANS THE MARYLAND COVID-19 EMERGENCY GRANT**  
12 **FUND.**

13           **(D) “PROGRAM” MEANS THE MARYLAND COVID-19 EMERGENCY GRANT**  
14 **PROGRAM.**

15 **5-1802.**

16           **(A) THERE IS A MARYLAND COVID-19 EMERGENCY GRANT PROGRAM IN**  
17 **THE DEPARTMENT.**

18           **(B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE WORKING CAPITAL TO**  
19 **ASSIST MARYLAND FOR-PROFIT SMALL BUSINESSES, THE OPERATIONS OF WHICH**  
20 **HAVE BEEN DISRUPTED DUE TO COVID-19, AND OFFER INTERIM RELIEF**  
21 **COMPLEMENTING ACTIONS WITH THOSE BUSINESSES’ BANKS, BUSINESS**  
22 **INTERRUPTION INSURANCE, AND FINANCIAL PARTNERS.**

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

24 **5-1803.**

25           **(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, TO CARRY OUT THE**  
26 **PURPOSES OF THE PROGRAM, ON APPLICATION BY A COUNTY THE DEPARTMENT**  
27 **SHALL DISTRIBUTE TO THE COUNTY A PORTION OF FUNDS FROM THE FUND ON A**  
28 **PER CAPITA BASIS.**

29           **(B) (1) A COUNTY MAY APPLY TO THE DEPARTMENT FOR A DISTRIBUTION**  
30 **OF FUNDS IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION TO BE USED TO**  
31 **PROVIDE GRANTS TO ELIGIBLE SMALL BUSINESSES LOCATED IN THE COUNTY.**

1           **(2) FOR THE GRANTS AUTHORIZED UNDER THIS SECTION, EACH**  
2 **COUNTY MAY ESTABLISH:**

3                   **(I) ELIGIBILITY AND APPLICATION REQUIREMENTS;**

4                   **(II) THE AMOUNT OF THE GRANTS; AND**

5                   **(III) THE PURPOSES FOR WHICH THE GRANTS MAY BE**  
6 **EXPENDED.**

7 **5-1804.**

8           **(A) THERE IS A MARYLAND COVID-19 EMERGENCY GRANT FUND.**

9           **(B) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDING TO EACH COUNTY**  
10 **TO MAKE GRANTS TO ELIGIBLE SMALL BUSINESSES LOCATED IN THE COUNTY IN**  
11 **ACCORDANCE WITH § 5-1803 OF THIS SUBTITLE.**

12           **(C) THE SECRETARY SHALL ADMINISTER THE FUND.**

13           **(D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**  
14 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

15                   **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**  
16 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

17           **(E) THE FUND CONSISTS OF:**

18                   **(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND**

19                   **(2) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**  
20 **THE BENEFIT OF THE FUND.**

21           **(F) THE FUND MAY BE USED ONLY TO PROVIDE GRANTS UNDER THE**  
22 **PROGRAM.**

23           **(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**  
24 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

25                   **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**  
26 **THE GENERAL FUND OF THE STATE.**



1 (H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE  
2 WITH THE STATE BUDGET.

3 (I) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT \$20,000,000 OF  
4 FINANCIAL ASSISTANCE PROVIDED BY THE FEDERAL GOVERNMENT TO THE STATE  
5 IN RESPONSE TO THE CORONAVIRUS PANDEMIC ON OR AFTER JANUARY 1, 2021, BE  
6 DISTRIBUTED TO THE FUND, IF THE PURPOSES OF THE PROGRAM ARE A  
7 PERMISSIBLE USE OF THE FINANCIAL ASSISTANCE.

8 **SUBTITLE 10. MARYLAND COVID-19 BUSINESS RECOVERY ASSISTANCE**  
9 **PROGRAM.**

10 **10-1001.**

11 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
12 INDICATED.

13 (B) "ELIGIBLE SMALL BUSINESS" MEANS A BUSINESS THAT:

14 (1) IS INDEPENDENTLY OWNED AND OPERATED;

15 (2) IS NOT A SUBSIDIARY OF ANOTHER BUSINESS;

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

17 (4) IS IN GOOD STANDING WITH THE STATE;

18 (5) DID NOT EMPLOY IN ITS OPERATIONS MORE THAN 50 FULL-TIME  
19 EQUIVALENT EMPLOYEES DURING CALENDAR YEAR 2019; AND

20 (6) HAS EXPERIENCED A REDUCTION IN GROSS REVENUE OF AT LEAST  
21 25%, AS DETERMINED BY:

22 (I) FOR A SMALL BUSINESS THAT BEGAN OPERATING BEFORE  
23 JULY 1, 2019, THE DIFFERENCE BETWEEN THE REVENUE FOR THE PERIOD OF  
24 MARCH THROUGH JUNE 2020 AND THE REVENUE FOR THE PERIOD OF MARCH  
25 THROUGH JUNE 2019; AND

26 (II) FOR A SMALL BUSINESS THAT BEGAN OPERATING ON OR  
27 AFTER JULY 1, 2019, THE DIFFERENCE BETWEEN THE SUM OF REVENUE FOR THE  
28 PERIOD OF MARCH THROUGH JUNE 2020 AND THE AMOUNT EQUAL TO FOUR TIMES  
29 THE REVENUE FOR FEBRUARY 2020.

1 (C) "FUND" MEANS THE COVID-19 BUSINESS RECOVERY ASSISTANCE  
2 FUND.

3 (D) "PROGRAM" MEANS THE COVID-19 BUSINESS RECOVERY  
4 ASSISTANCE PROGRAM.

5 (E) "SBDC NETWORK" MEANS THE SMALL BUSINESS DEVELOPMENT  
6 CENTER NETWORK HEADQUARTERED IN THE UNIVERSITY OF MARYLAND,  
7 COLLEGE PARK CAMPUS.

8 10-1002.

9 (A) THERE IS A COVID-19 BUSINESS RECOVERY ASSISTANCE PROGRAM  
10 IN THE SBDC NETWORK.

11 (B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE THE STATE'S BUSINESS  
12 COMMUNITY GUIDANCE AND RESOURCES TO RECOVER FROM THE HARDSHIPS OF  
13 THE CORONAVIRUS PANDEMIC AND ADAPT TO A POSTPANDEMIC BUSINESS  
14 ENVIRONMENT.

15 (C) THE SBDC NETWORK SHALL ADMINISTER THE PROGRAM.

16 10-1003.

17 (A) (1) AN ELIGIBLE SMALL BUSINESS MAY APPLY TO PARTICIPATE IN  
18 THE PROGRAM.

19 (2) THE SBDC NETWORK MAY ESTABLISH ELIGIBILITY AND  
20 APPLICATION REQUIREMENTS FOR THE PROGRAM.

21 (3) THE SBDC NETWORK SHALL PRIORITIZE APPROVING  
22 APPLICATIONS TO PARTICIPATE IN THE PROGRAM IN THE FOLLOWING ORDER:

23 (I) ELIGIBLE SMALL BUSINESSES WITH 10 OR FEWER  
24 FULL-TIME EQUIVALENT EMPLOYEES;

25 (II) ELIGIBLE SMALL BUSINESSES WITH MORE THAN 10 BUT NO  
26 MORE THAN 25 FULL-TIME EQUIVALENT EMPLOYEES; AND

27 (III) ELIGIBLE SMALL BUSINESSES WITH MORE THAN 25  
28 FULL-TIME EQUIVALENT EMPLOYEES.

1           **(B) SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE SBDC NETWORK**  
2 **SHALL PROVIDE TO AN ELIGIBLE SMALL BUSINESS PARTICIPATING IN THE**  
3 **PROGRAM ACCESS TO BUSINESS SUPPORT SERVICES TO ASSIST THE SMALL**  
4 **BUSINESS IN RECOVERING FROM THE ECONOMIC HARDSHIPS OF THE CORONAVIRUS**  
5 **PANDEMIC, INCLUDING:**

6           **(1) ACCESS TO NONGOVERNMENTAL FINANCING;**

7           **(2) SUPPORT FOR BUSINESS MODEL AND OPERATIONAL**  
8 **ADJUSTMENTS TO ADAPT TO A POSTPANDEMIC BUSINESS ENVIRONMENT;**

9           **(3) ACCESS TO PROFESSIONAL SERVICES, INCLUDING ACCOUNTING,**  
10 **LEGAL, MARKETING, TECHNOLOGY, AND BUSINESS DEVELOPMENT SERVICES,**  
11 **BASED ON THE NEEDS OF THE ELIGIBLE SMALL BUSINESS; AND**

12           **(4) ACCESS TO OFF-THE-SHELF BUSINESS SOFTWARE.**

13           **(C) SUBJECT TO AVAILABLE FUNDING IN THE FUND, THE SBDC NETWORK**  
14 **SHALL PROVIDE THE SERVICES AND SOFTWARE DESCRIBED UNDER SUBSECTION (B)**  
15 **OF THIS SECTION TO A PROGRAM PARTICIPANT AT NO COST.**

16           **(D) THIS SECTION MAY NOT BE CONSTRUED TO:**

17           **(1) ALTER ANY ASPECTS, INCLUDING ELIGIBILITY, OF ANY OTHER**  
18 **PROGRAM ADMINISTERED BY THE SBDC NETWORK; OR**

19           **(2) REQUIRE THE SBDC NETWORK TO PROVIDE SERVICES AT NO**  
20 **COST TO A PARTICIPANT OF ANY OTHER PROGRAM ADMINISTERED BY THE SBDC**  
21 **NETWORK.**

22 **10-1004.**

23           **(A) THERE IS A COVID-19 BUSINESS RECOVERY ASSISTANCE FUND.**

24           **(B) THE PURPOSE OF THE FUND IS TO PROVIDE BUSINESS SUPPORT**  
25 **SERVICES TO ELIGIBLE SMALL BUSINESSES IN ACCORDANCE WITH § 10-1003 OF**  
26 **THIS SUBTITLE.**

27           **(C) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**  
28 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

29           **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**  
30 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

1 (D) THE FUND CONSISTS OF:

2 (1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND

3 (2) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR  
4 THE BENEFIT OF THE FUND.

5 (E) THE FUND MAY BE USED TO PROVIDE SERVICES AND SOFTWARE IN  
6 ACCORDANCE WITH § 10-1003 OF THIS SUBTITLE AND FOR THE COSTS OF  
7 ADMINISTERING THE PROGRAM.

8 (F) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND  
9 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

10 (2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO  
11 THE GENERAL FUND OF THE STATE.

12 (G) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE  
13 WITH THE STATE BUDGET.

14 (H) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT \$20,000,000 OF  
15 FINANCIAL ASSISTANCE PROVIDED BY THE FEDERAL GOVERNMENT TO THE STATE  
16 IN RESPONSE TO THE CORONAVIRUS PANDEMIC ON OR AFTER JANUARY 1, 2021, BE  
17 DISTRIBUTED TO THE FUND, IF THE PURPOSES OF THE PROGRAM ARE A  
18 PERMISSIBLE USE OF THE FINANCIAL ASSISTANCE.

19 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
20 as follows:

21 **Article – Tax – General**

22 10-207.

23 (a) To the extent included in federal adjusted gross income, the amounts under  
24 this section are subtracted from the federal adjusted gross income of a resident to determine  
25 Maryland adjusted gross income.

26 (JJ) (1) IN THIS SUBSECTION, “SMALL BUSINESS” MEANS A BUSINESS  
27 ENTITY THAT:

28 (I) IS INDEPENDENTLY OWNED AND OPERATED;

29 (II) IS NOT A SUBSIDIARY OF ANOTHER BUSINESS ENTITY;

1 (III) IS NOT DOMINANT IN ITS FIELD OF OPERATION;

2 (IV) DID NOT EMPLOY IN ITS OPERATIONS MORE THAN 50  
3 FULL-TIME EQUIVALENT EMPLOYEES DURING CALENDAR YEAR 2019; AND

4 (V) DID NOT EARN MORE THAN \$5,000,000 IN GROSS REVENUES  
5 DURING CALENDAR YEAR 2019.

6 (2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION  
7 INCLUDES, FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2019, BUT  
8 BEFORE JANUARY 1, 2021, THE FIRST \$100,000 OF INCOME EARNED BY A TAXPAYER  
9 IF THE TAXPAYER IS A SMALL BUSINESS THAT EXPERIENCED MORE THAN A 25%  
10 REDUCTION IN INCOME BETWEEN ITS MOST RECENTLY COMPLETED FISCAL YEAR  
11 AND THE IMMEDIATELY PRECEDING FISCAL YEAR.

12 10-307.

13 (a) To the extent included in federal taxable income, the amounts under this  
14 section are subtracted from the federal taxable income of a corporation to determine  
15 Maryland modified income.

16 (g) The subtraction under subsection (a) of this section includes the amounts  
17 allowed to be subtracted for an individual under:

18 (1) § 10-207(i) of this title (Profits on sale or exchange of State or local  
19 bonds);

20 (2) § 10-207(k) of this title (Relocation and assistance payments);

21 (3) § 10-207(m) of this title (State or local income tax refunds);

22 (4) § 10-207(c-1) of this title (State tax-exempt interest from mutual  
23 funds); [or]

24 (5) § 10-207(hh) of this title (Gain on the transfer of property within the  
25 Laurel Park site or Pimlico site or Bowie Race Course Training Center property and income  
26 realized as result of governmental expenditures); OR

27 (6) § 10-207(JJ) OF THIS TITLE (SMALL BUSINESS INCOME).

28 SECTION 3. AND BE IT FURTHER ENACTED, That:

29 (a) Section 1 of this Act shall take effect contingent on the provision of financial  
30 assistance to the State by the federal government in response to the coronavirus pandemic

1 on or after January 1, 2021, if that financial assistance is eligible to be utilized to fund the  
2 programs established under Section 1 of this Act in accordance with federal law.

3 (b) Within 5 days of receipt of eligible financial assistance described under  
4 subsection (a) of this section, the Department of Budget and Management shall notify the  
5 Department of Legislative Services.

6 (c) If notice of the receipt of the eligible financial assistance is received by the  
7 Department of Legislative Services on or before December 31, 2021, Section 1 of this Act  
8 shall take effect on the date the notice is received by the Department of Legislative Services  
9 in accordance with subsection (b) of this section.

10 (d) If notice of the receipt of the eligible financial assistance is not received by the  
11 Department of Legislative Services on or before December 31, 2021, Section 1 of this Act,  
12 with no further action required by the General Assembly, shall be null and void.

13 SECTION 4. AND BE IT FURTHER ENACTED, That, subject to Section 3 of this  
14 Act, this Act is an emergency measure, is necessary for the immediate preservation of the  
15 public health or safety, has been passed by a yea and nay vote supported by three-fifths of  
16 all the members elected to each of the two Houses of the General Assembly, and shall take  
17 effect from the date it is enacted.