



House Bill 386

Small, Minority, and Women-Owned Businesses Account – Local State of Emergency

MACo Position: **SUPPORT**

To: Ways and Means Committee

Date: February 9, 2022

From: Brianna January

The Maryland Association of Counties (MACo) **SUPPORTS** HB 386. This bill would provide State resources during local states of emergency by making grants available for local small, minority, and women-owned businesses and nonprofits impacted by local emergencies using existing funds within the Small, Minority, and Women-Owned Business Account.

HB 386 expands the eligible uses of the Small, Minority, and Women-Owned Business Account to include financial support for businesses and nonprofits during local states of emergency. More precisely, should a local government declare a local state of emergency, then the account can be used for special assistance to small and minority-owned businesses and nonprofits in the form of grants, or through the conversion of existing loans into grants.

Counties have navigated several situations in recent years where HB 386 would have made a significant difference for local businesses and nonprofits that serve our communities, such as the string of extreme storms and tornadoes in September 2021 that hit Anne Arundel County and the devastating 2018 flooding of Ellicott City in Howard County.

Such pernicious events detrimentally impact the small businesses and nonprofits that operate in our communities, both in the form of physical damage to infrastructure and resources, and in the form of financial ruin. Often, these community fixtures are forced to halt or cease operations because of local states of emergency.

While counties do their best to provide operational and fiscal assistance to the businesses and nonprofits impacted during local states of emergency, the needs are often greater than the resources available. HB 386 seeks to fill some of those gaps by expanding and streamlining eligibility for existing pools of funding for small, minority, and women-owned businesses and nonprofits during these difficult situations.

Extreme weather events are becoming more frequent and more severe, and local governments are at the forefront of addressing them. HB 386 would provide additional resources and would encourage deeper state and local collaboration to navigate such situations. For these reasons, MACo **SUPPORTS** HB 386 and urges a **FAVORABLE** report.