



Garrett County Chamber of Commerce, Inc., 15 Visitors Center Drive, McHenry, MD 21541

July 27, 2020

The Honorable Ben Cardin  
United States Senate  
509 Hart Senate Office Building  
Washington, DC 20510

The Honorable Chris Van Hollen  
United States Senate  
110 Hart Senate Office Building  
Washington, DC 20510

The Honorable David Trone  
United States House of Representatives  
1213 Longworth House Office Building  
Washington, DC 20515

**RE: HEROES ACT / CARES 2 - Phase 4 of Coronavirus Response Legislation**

Dear Senators and Congressman:

On behalf of the Garrett County Chamber of Commerce, representing 600 member organizations in our region, we thank you for your quick action to address the COVID-19 crisis ravaging our country and request additional assistance to mitigate impacts on our communities. As Heroes Act/CARES 2 of coronavirus response legislation is considered, we implore you to consider the toll this pandemic is taking on our communities and businesses.

We understand that Congress is working hard to respond to the pandemic. However, the shut-down has been devastating for our economies and many businesses are hanging on by a thread. The next phase of coronavirus response legislation, must consider the length of time the crisis has lasted and the unforeseen impacts facing our communities and businesses.

**We recommend the following be included in the Heroes Act/CARES 2 of the coronavirus response legislation:**

- **501 (C) (6) ELIGIBILITY FOR PPP** - It is imperative that 501 (C) (6) organizations be deemed eligible to apply for PPP. Most chambers of commerce, economic development entities (EDOs) and destination marketing organizations (DMOs) are (C) (6) organizations and small businesses. Our





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communities are depending on these organizations to help us get through this crisis. Chambers and EDOs are providing necessary information and updates, training programs and helping businesses with access disaster assistance. They are providing leadership to ensure prudent policy measures are enacted and they are key to the recovery of our communities. DMOs are trying to figure out how to revive the tourism industry, one of the industries hit hardest by the pandemic. Tourism is the 10<sup>th</sup> largest industry in Maryland and employed more than 150,000 pre-pandemic and generated nearly \$700 million in taxes. Tourism cannot get back online without our DMOs. However, chambers, EDOs and DMOs are suffering the same fate as other small businesses and are struggling to survive. They must have access to PPP today.

- **EXTENSION OF PPP & AUTOMATIC LOAN FORGIVENESS** - Additionally, the PPP program should be extended through the end of the year and should be modified to allow for automatic loan forgiveness for under \$150,000 or \$250,000, and access to employee retention tax credits for borrowers once their loan has been exhausted.
- **ELIMINATE EMPLOYEE RETENTION TAX CREDIT PROHIBITION FOR PPP RECIPIENTS** - The CARES Act prohibited an employer from receiving both a PPP loan and an employee retention tax credit. While no-employer should be able to receive a PPP loan and a tax credit for the same expense, allowing PPP borrowers to access employee retention tax credits after exhausting their PPP loans will help small businesses who continue to face constrained revenue.
- **UNEMPLOYMENT EXPERIENCE RATING** - Prohibit all unemployment claims made during the COVID-19 crisis from being counted against an employer's experience rating, including if the employer participates in a Work Share program.
- **LIABILITY PROTECTIONS AGAINST UNWARRANTED LAWSUITS** - As if the pandemic and the economic downturn were not enough, employers are confronting the possibility of unwarranted lawsuits related to COVID that threaten their ability to operate and the economy's ability to recover. The Chamber calls on Congress to pass timely, temporary, and targeted liability relief that will provide employers, healthcare providers, non-profits, and educational institutions a safe harbor from these types of lawsuits when they make good-faith efforts to follow applicable public health guidelines. This is a critical issue for a wide range of employers from distillers who switched to producing hand sanitizers, to manufacturers that transformed their operations to construct personal protective equipment (PPE) and ventilators, to front line medical professionals treating the afflicted, to pharmaceutical companies that are expediting research into cures, to essential businesses that remained open, to colleges that are returning to school this Fall, to businesses that are just now reopening and seeing customers for the first time in months. A safe-harbor will ensure that bad actors can be held accountable while simultaneously protecting those entities who are working to follow





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public health guidance. Specifically, the Chamber calls on Congress to put in place temporary protections for the duration of the pandemic crisis and response that cover:

- Businesses and other entities that work to follow government guidelines against COVID- 19 exposure claims.
  - Healthcare providers and facilities on the front lines of the COVID-19 response.
  - Manufacturers that repurposed production and distribution to provide PPE, sanitizers, and other needed countermeasures.
- **ELIMINATE PUC & NO RETURN-TO-WORK BONUS** - The current \$600 additional Pandemic Unemployment Compensation (PUC) has resulted in unintended consequences including people not returning to work and rising use of illegal drugs. This is a disincentive for workers to return to their jobs. Do not expand or extend the \$600 weekly Small Businesses cannot compete what people are being paid on unemployment. A recent [study](#) found that two-thirds of beneficiaries earn more on unemployment than they made while working. One-fifth earn at least double what they earned working, and the median replacement rate is 134%. The Congressional Budget Office has said that if this additional funding is extended for another six months, then five out of six beneficiaries would receive more from unemployment than what they could expect to earn working. Compensating someone more for not working than they can earn working discourages work, makes it harder for employers to bring back furloughed employees, and ultimately holds back economic recovery. Unemployment shot up to 14.7% in April. In order to encourage people to return to work as their jobs are made available again, the PUC must end on July 25, as previously scheduled. Drug overdoses are on the rise again due to people choosing to not work and having an extra \$2,400 per month to spend on drugs. Additionally, there is no reason to offer any type of return-to-work bonus. Eliminate the PUC and people will go back to their jobs. Plenty of people have worked the entire time or returned to work when their employer called without receiving a bonus. Employment and earning a regular wage should be incentive enough.
  - **MODIFY THE EMPLOYEE RETENTION TAX CREDIT** - The CARES Act created an Employee Retention Tax Credit (ERTC) that provided an effective \$5,000 refundable tax credit to employers negatively impacted by the economic fallout from the pandemic. Congress should increase the size of the credit, make the credit more flexible by allowing small and midsize employers to claim the credit irrespective of whether the employee is “providing services,” and expanding the universe of eligible employers by reducing the reduction in gross receipts required to access the credit. Congress can simultaneously make the expanded credit more targeted by reducing the benefit for employers who are experiencing less of a revenue loss.





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- **RURAL BROADBAND DEVELOPMENT** - Rural communities have fallen further behind due to the lack of broadband development during the pandemic. Students, businesses and residents of Garrett County are at a far greater disadvantage than our urban counter-parts for access to online learning and virtual instruction, ability to telework and access to telemedicine. Significant funding for broadband development in rural communities must be included in the HEROES Act/phase 4 of the coronavirus response legislation.
- **CREATE TOURISM/HOSPITALITY STABILIZATION FUND** - Establish a \$250 billion Tourism/Hospitality Stabilization fund at the U.S. Department of Treasury to help severely impacted, financially distressed businesses & tourism-based economies. Tourism is the 10<sup>th</sup> largest industry in Maryland employing 150,000 workers and generating \$2.5 billion in taxes. The tourism/hospitality industry and tourism-dependent communities have been hit particularly hard by the crisis and to survive and recover need dedicated resources through \$100 billion in grants and \$150 billion in unsecured, no interest loans that would be used for certain obligations such as rent, utilities, insurance and payroll.
- **STATE & LOCAL ASSISTANCE** - Just as the pandemic caused a sudden, unanticipated drop in business receipts, it has done the same for state and local government revenue. Absent additional federal assistance, state and local outlays and employment will have to be quickly cut, deepening, and lengthening the economic downturn. For example, states collect approximately \$50 billion a year in motor fuel taxes, which fund infrastructure construction. The sudden drop in driving reduced gas consumption and, thus, gas taxes and, if undressed, will result in a significant decrease in construction spending. This will be repeated across a wide swath of state and local government programs. While state and local revenue will recover as the economy does, there will be a delay, and much of the lost revenue will be permanently forgone.

At the same time, state and local governments will also face new and increased costs as a result of the coronavirus. This will include direct costs such as measures to implement greater social distancing, as well as increased public benefit costs as a result of the recession.

The combination of falling revenue, rising costs, and balanced budget requirements will put significant and sustained stress on state and local budgets. This is already showing up in the monthly jobs reports. Since February, state government employment has already fallen by 284,000 or just over five percent, and local government employment has fallen by 1.2 million or eight percent. As we learned during the Great Recession, it can take years for state and local governments to recover.

Congress must appropriate additional funds for states, in the form of direct federal aid, to allow states to replace lost revenue.





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- **REPLENISH STATE UNEMPLOYMENT INSURANCE TRUST FUNDS WITHOUT PENALTY** - Allow States to access Title XII grants interest-free through 2021 with the possibility of loan forgiveness.
- **RELIEF FOR MAIN STREET ACT** - In too many cases, small businesses in low-income and rural areas, as well as those without traditional banking relationships had difficulty accessing the PPP. Congress should pass the bipartisan Recharge and Empower Local Innovation and Entrepreneurs Fund (RELIEF) for Main Street Act would provide \$50 billion to cities, counties and states to seed and scale local relief programs for small employers.

Garrett County needs your help now and implores you to take action to ensure both the survival and resiliency of the businesses in our community and the recovery of our economy.

On behalf of our business community, workers and their families, we thank you for your consideration.

Sincerely,

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