

# News Release

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## Comptroller Franchot Urges \$500 Million in Small Business Relief From State's Rainy Day Fund

*COVID-19 pandemic leaves local businesses facing huge toll*

**ANNAPOLIS, Md. (March 16, 2020)** - Comptroller Peter Franchot today is calling for Governor Larry Hogan and the Maryland General Assembly to dip into the State's Rainy Day Fund to provide a minimum of \$500 million for small businesses that will be critically impacted by the worsening COVID-19 pandemic.

"It's called a rainy day fund and in about two weeks, it's going to be raining harder than we have ever seen in the State of Maryland for these small businesses," Comptroller Franchot said.

The Comptroller has spoken with numerous small business owners who have already reported they are starting to feel the impacts from the pandemic, and it will only become more pronounced in the coming days, weeks and potentially months ahead.

The following is Comptroller Franchot's full statement:

"Maryland's local, independent businesses are the lifeblood of our state's economy and the pillars of their communities. Having spoken directly with more small business owners over these past few days than I can count, I can assure you that, in the absence of extraordinary action, far too many of them are going to go under as a result of the economic devastation created by the coronavirus pandemic.

"The actions that have been proposed to date simply aren't enough. To survive the next 45-60 days, these businesses need cash to pay their employees, their vendors, their landlords and the banks. I believe it is imperative that the State of Maryland borrow, AT A MINIMUM, \$500 million from the State's Rainy Day Fund and

push it out the door as quickly as humanly possible to these business owners. Because, quite honestly, they don't even know how they're going to survive the next few days without customers or cash flow.

“In that same vein, I also believe that Congress must act now to enact its own federal stimulus relief package for these small businesses. I cannot overemphasize that SBA loans are not nearly sufficient here - these businesses don't need loans - they need cash on the barrelhead, as they say, simply to get through the coming days and weeks.

“I don't want to hear that we cannot afford it. In the years that I've served as your Comptroller, I've seen our state and federal governments shovel cash to the big banks, to our automakers, to the airlines, to Amazon and to gambling casinos. You will never, ever convince me that we cannot and should not stand up now and make a life altering investment in those local businesses that employ our neighbors and families, support other small businesses and put their names on every charitable and civic cause in their communities.

“The loss that is suffered every time a small business closes in a community is severe and far-ranging. The decimation of our small business sector in the State of Maryland and in the United States would, I believe, catapult us into the worst economic climate since the 1930s.”

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