

Hotel, Motel, and Bed and Breakfast Grants, Maryland Economic Development Assistance Authority and Fund, Department of Commerce

\$10.0 Million (T00F00.23)

Purpose: Recovery Now Funding

The Maryland Economic Development Assistance Authority and Fund shall provide funding to local governments for grants up to \$25,000 to hotels and motels (except casino hotels) or bed-and-breakfast inns categorized as North American Industrial Classification Codes 721110 and 721191, respectively. If the establishment is part of a multiple-location franchise, it must be owned by a local franchisee. Lastly, the recipient businesses must demonstrate a need for assistance. Priority shall be given to businesses that have not received prior funding from the Authority.

May 19 - Program Highlights and Plans to Allocate Remaining Balance:

- The Department of Commerce (Commerce) sent out grant agreements to the counties on March 24, 2021.
 - As of May 14, 2021 the following counties have signed and returned their grant agreements:
 - Allegany County;
 - Anne Arundel County;
 - Baltimore City:
 - Baltimore City requested that its hotel relief be assigned to Visit Baltimore;
 - Baltimore County;
 - Caroline County;
 - Carroll County;
 - Cecil County;
 - Charles County;
 - Dorchester County;
 - Frederick County;
 - Garrett County;
 - Harford County;
 - Howard County;
 - Kent County;
 - Montgomery County;
 - Prince George's County;
 - Queen Anne's County;
 - St. Mary's County;
 - Somerset County;
 - Talbot County;
 - Washington County;
 - Wicomico County; and
 - Worcester County.

- Calvert County requires the grant agreements go before the Board of Commissioners for approval at a regular meeting. The county attorney informed the Board of Commissioners that the vote must take place at a public meeting and must be advertised two weeks prior to the meeting. This pushed the review of the agreement back to May 11, 2021.
- The counties must update Commerce's online portal with grant recipient information by July 31, 2021, to include the following:
 - Name, location, and FEIN of each grantee;
 - Amount of grant received by grantee;
 - Use of grant proceeds; and
 - Demographic information responses of each grantee.
- Commerce alerted the counties on April 1, 2021, that the Department will allow the use of a portion of each grant to cover *new* expenses incurred by their jurisdiction as a direct result of administering the grant programs. No more than 10% of grant funds may be used to pay for administrative costs. And the administrative costs paid from grant funds must be itemized in the final report submitted to Commerce describing the use of grant funds.

May 19 - Programmatic and/or Implementation Issues:

- Ensure local jurisdictions prioritize applicants who have not received State/MEDAAF funding.
- Some counties have not completed distribution of previously released funds. These funds must be allocated prior to receiving this grant program's funding. If there is a possibility that there are remaining funds, they can be rolled over into this grant program.
- Commerce was alerted by two jurisdictions that they may not be able to use all of the funds.
 - If grants are capped at \$25,000, Caroline County does not have enough establishments to encumber the entirety of the funding. In Commerce's previous round of funding, the distribution was based on the hotel tax revenue per jurisdiction. In contrast, the RELIEF funds are based on county population, allocating more money to some counties that do not have enough establishments to support the funding.
 - Baltimore City has a large portion of franchise hotels owned out of state. Under the current franchisee provisions Baltimore City may not be able to distribute all of their funds.

Distribution of Funds to Counties:

County	Population - 2021	MD Population Percentage	Hotel Funding	Returned Grant Agreements as of May 14?	Funds Distributed as of May 14?
Allegany	69,366	1.14%	\$114,363	Yes	Yes
Anne Arundel	586,656	9.67%	\$967,211	Yes	Yes
Baltimore City	575,584	9.49%	\$948,957	Yes*	Yes
Baltimore	826,392	13.62%	\$1,362,461	Yes	Yes
Calvert	93,445	1.54%	\$154,061	No	No
Caroline	33,606	0.55%	\$55,406	Yes	Yes, \$25,000
Carroll	168,807	2.78%	\$278,310	Yes	Yes
Cecil	103,277	1.70%	\$170,271	Yes	Yes
Charles	166,819	2.75%	\$275,032	Yes	Yes
Dorchester	31,867	0.53%	\$52,539	Yes	Yes
Frederick	268,755	4.43%	\$443,092	Yes	Yes
Garrett	28,776	0.47%	\$47,443	Yes	No
Harford	258,559	4.26%	\$426,282	Yes	Yes
Howard	331,828	5.47%	\$547,080	Yes	Yes
Kent	19,398	0.32%	\$31,981	Yes	Yes
Montgomery	1,055,110	17.40%	\$1,739,545	Yes	Yes
Prince George's	908,743	14.98%	\$1,498,231	Yes	Yes
Queen Anne's	50,847	0.84%	\$83,831	Yes	Yes
Somerset	25,636	0.42%	\$42,266	Yes	No
St. Mary's	115,090	1.90%	\$189,747	Yes	Yes
Talbot	37,395	0.62%	\$61,653	Yes	Yes
Washington	151,835	2.50%	\$250,328	Yes	Yes
Wicomico	104,739	1.73%	\$172,682	Yes	Yes
Worcester	52,908	0.87%	\$87,229	Yes	Yes
Statewide	\$6,065,438	-	\$10,000,000	\$9,984,599	\$9,725,820

Source: Department of Commerce, Department of Budget and Management