

# **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.

## **April 21 - 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 April 14, 2021 the following counties have signed and returned their grant agreements:
    - Allegany County;
    - Anne Arundel County;
    - Baltimore County;
    - Baltimore City:
      - Baltimore City requested that its hotel relief be assigned to Visit Baltimore;
    - Calvert 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.

- 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 it 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.

**April 21 - 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 the funds.
  - If grants are capped at \$25,000, Carroll 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 their funds.

**April 21 - Anticipated Distribution of Funds:**

<b>County</b>	<b>Population - 2021</b>	<b>MD Population Percentage</b>	<b>Hotel Funding</b>
Allegany	69,366	1.14%	\$114,363
Anne Arundel	586,656	9.67%	\$967,211
Baltimore City	575,584	9.49%	\$948,957
Baltimore	826,392	13.62%	\$1,362,461
Calvert	93,445	1.54%	\$154,061
Caroline	33,606	0.55%	\$55,406
Carroll	168,807	2.78%	\$278,310
Cecil	103,277	1.70%	\$170,271
Charles	166,819	2.75%	\$275,032
Dorchester	31,867	0.53%	\$52,539
Frederick	268,755	4.43%	\$443,092
Garrett	28,776	0.47%	\$47,443
Harford	258,559	4.26%	\$426,282
Howard	331,828	5.47%	\$547,080
Kent	19,398	0.32%	\$31,981
Montgomery	1,055,110	17.40%	\$1,739,545
Prince George's	908,743	14.98%	\$1,498,231
Queen Anne's	50,847	0.84%	\$83,831
Somerset	25,636	0.42%	\$42,266
St. Mary's	115,090	1.90%	\$189,747
Talbot	37,395	0.62%	\$61,653
Washington	151,835	2.50%	\$250,328
Wicomico	104,739	1.73%	\$172,682
Worcester	52,908	0.87%	\$87,229
<b>Statewide</b>	<b>6,065,438</b>	<b>-</b>	<b>\$10,000,000</b>

Source: Department of Commerce, Department of Budget and Management