Greetings:

Work continues to provide needed resources to tourism communities to navigate this crisis and drive an economic rebound.

The CARES Act had appropriated $150 billion for state and local governments to offset the unexpected costs of addressing the coronavirus pandemic and lowered tax revenue falling business activity. As one of the hardest hit economic sectors, it was widely anticipated that tourism offices would be able to tap the funds but highly restrictive rules from the Treasury Department cut tourism out of the support. On Friday, evening the Treasury Department updated its Frequently Asked Questions on the Coronavirus Relief Fund for state, local, and tribal governments and posted to the department’s website. Under the updated guidance, state and local governments are permitted to use the CARES Act Coronavirus Relief Funds to “remarket” convention facilities and the tourism industry. The question is on the bottom of page 8. A pdf of the FAQs is attached.

In the interest of clarity, please note there the 3 basic criteria of Coronavirus Relief Fund that must be met:

1. direct response - health or economic impact
2. expense cannot have been accounted for in the most recently approved budget
3. expense March 1 2020 - December 20 2020

I think this change is a direct result of Sen. Cassidy’s (R-LA), forceful call for more coronavirus relief funding for state and local government and greater flexibly in the use of those fund. Last month, he introduced along with Sen. Bob Menendez (D-NJ), the State and Municipal Assistance for Recovery and Transition (SMART) Act, S. 3752, which would provide $500 billion in direct, flexible aid to states, cities, and counties to help address the unprecedented public health and economic challenges presented by the coronavirus pandemic. To date, six Senators have co-sponsored S. 3752, including two from the Southeast: Sen. Joe Manchin (D-WV) and Sen. Cindy Hyde-Smith (R-MS).

As efforts ramp up on the development of another coronavirus stimulus package, I am happy to report the nation’s mayors agree with us the Sen. Cassidy is having a big impact on coronavirus aid.

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Today, the U.S. Conference of Mayors approved a resolution endorsing the SMART Act. The resolution can be read here: https://www.usmayors.org/the-conference/resolutions/?category=a0F4N00000PcS7hUAF&meeting=88th%20Annual%20Meeting

We would like to focus our advocacy efforts over the July 4 recess on driving additional co-sponsors of the SMART Act. A Voter Voice campaign has been posted and can be accessed here: https://www.votervoice.net/STS/campaigns/73967/respond

We are also continuing to advocate for expanding eligibility for the Paycheck Protection Program to include tourism. The program formally closed yesterday with $130 billion still in its account. In a surprise move, last night the Senate reached a deal to extend the program through August 8. The House still needs to act but I think this swift response from the Senate demonstrates there is strong interest in Congress to adjust the program to ensure it provides assistance to small businesses and non-profits. The Washington Post has a good round up of the changes being considered to the program: https://www.washingtonpost.com/business/2020/06/30/paycheck-protection-program/

Also, Sen. Marco Rubio (R-FL), Sen. Tim Scott (R-SC) and Sen. Ted Cruz (R-TX) have introduced a bill, S. 3992, that would expand eligibility of the Paycheck Protection Program to include chambers of commerce and DMOs with less than 300 employees and are described under section 501(c) of the IRS code or as quasi-governmental organizations. To date this legislation has no co-sponsors. During the July 4 recess, we will again be focusing on the Senate and encouraging co-sponsorship of S. 3992. A Voter Voice on Paycheck Protection has been posted and can be found here: https://www.votervoice.net/STS/campaigns/73438/respond

The House is in session tomorrow with votes scheduled. I will update you on any news on the Paycheck Protection Program.

Please let me know if you have questions or ideas.

Best,

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