July 8, 2020

Dear Senator Cardin and Senator Van Hollen:

I am writing to you both requesting your support for the RESTART Act, which would provide much-needed flexibility to Maryland’s recipients of Paycheck Protection Program (PPP) funds and our shuttered businesses that are struggling most.

Throughout the COVID-19 crisis, I have emphasized that funds from the PPP must be used to help small businesses, the backbone of Maryland and our nation’s economy, because keeping their lights on means keeping our families employed. However, due to the narrow scope of the PPP funds, some of our hardest-hit businesses, such as music venues who face some of the most uncertainty in reopening and exorbitant overhead costs, are still scrambling to stay afloat. Given these circumstances, I believe the RESTART Act is a necessary step in addressing some of the concerns I share with many of the Marylanders who have reached out to me during these times. The RESTART Act would offer the following of Maryland’s businesses:

- **Long-term assistance for shuttered businesses:** Some industries see no path to reopening soon, such as those who serve large indoor audiences, or those where a partial reopening of their business would result in a counterproductive net loss. These businesses with zero revenue and high overheads need funding to at least carry them through to the end of the year. The RESTART Act finances the equivalent of six months’ worth of payroll, benefits, and fixed operating costs.

- **Flexibility in using PPP funds:** The RESTART Act allows for flexible use of loan proceeds and loan forgiveness with no minimums on the percentage dedicated to any one expense. I firmly believe that we need to make it as easy as possible for businesses to allocate funds in a way that makes the most sense for their specific situation.

- **Generous payback schedules:** As Comptroller, I extended our State’s tax filing deadline so that businesses can keep cash in their pockets for as long as possible. The same principle should apply for PPP loans. The RESTART Act implements a generous 7-year payback schedule, wherein principal payments are not required for 2 years and interest payments are not due for the first 12 months.

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Maryland’s businesses have been resilient and determined amidst this public health and economic crisis, but creative adaptations to their business models can only go so far and many are in desperate need of government relief. Passing the RESTART Act would be a productive, and I believe crucial, step in both helping our tax-paying businesses and bolstering future revenue streams while states across the country face plummeting revenues. I hope that you both will continue to advocate for comprehensive economic relief measures as our businesses navigate this unparalleled hardship.

Thank you for your attention and I urge your strong support for this critically important legislation.

Sincerely,

Peter Franchot
Comptroller, State of Maryland