

PRINCE GEORGE'S COUNTY COUNCIL

COMMITTEE REPORT

2024 Legislative Session

Reference No.: CB-01-2024

Draft No.: 2

Committee: GOFP

Date: March 14, 2024

Action: FAV (A)

REPORT: Committee Vote: Favorable with amendments 5-0 (Council Members Watson, Harrison, Dernoga, Franklin, Oriadha)

The Prince George's County Council's Government Operations and Fiscal Policy Committee convened on February 22nd and again on March 14, 2024, to consider CB-01-2024 draft 2.

As proposed, CB-01-2024 seeks to add African American Business Enterprises to the Prince George's County Business Expansion and Start-Up Loan program. The Prince George's County Business Expansion and Start-Up Grant Program annually awards grants to locally owned and operated businesses for business expansion, capacity-building, retention, job creation, and job retention. CB 1's enactment would define and add the term African American Business Enterprise ("AABE") and the requirements for qualification.

Allocation of the annual awards shall be as follows: (A) 30% reserved for Local Start-Up Businesses, (B) 20% reserved for AABE, and (C) 50% for all other applications that meet the requirements (4).

The maximum annual loan award from this program shall be \$250,000.

During the meetings, Sean Dixon, Deputy County Attorney, and Tracy Benjamin, Associate County Attorney representing the Office of Law, discussed the February 21, 2024, memorandum, which explains why if enacted, the grant and loan program identified in the bill, as well as the County's current supplier diversity program, will be constitutionally at risk and would not survive a challenge.

Council Member Oriadha explained the intention of the bill is to take a step to build wealth in at risk communities in a measurable way. Many small businesses currently feel left out of the county's growth. She feels there is a war against marginalized communities

nationally, and that this county has an opportunity to lead the way toward better solutions for our businesses.

Council Member Franklin agreed the judiciary has become unfavorable in this area of law, but we should move forward because this is the type of legislation that can move the county toward improving the support it provides to start-up businesses.

Council members requested information from the administration regarding the current demographic and geographic data from Economic Development Corporation (EDC) and Financial Services Corporation (FSC). During the meeting on March 14th, the data received was discussed along with amendments to the bill, and the additional level of detail about the participating businesses that would be made available because of this legislation. The amendments include changing the goal of servicing qualifying businesses from 80% to 50% and changing the title to the Minority Business Start-Up Fund, which is designed to make the bill, as amended, race neutral.

Stakeholders that addressed the committee in support of the legislation:

Bruce Branch

Joe Gaskins – Prince George’s County Contractors Association

Wayne Shorter

Eric Hawkins

After discussion, the Prince George's County Council's Government Operations and Fiscal Policy Committee reported CB-01-2024 out favorably as amended 5-0.