

Coronavirus (COVID-19) Committee

Seung-Gu Lee

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### Legislation and Letter of Intent

The COVID-19 pandemic has stricken many small businesses around the United States and is causing a devastating impact on the economy. Governmental lockdowns and restrictions in an effort to curb the spread of the virus have disrupted the operation of many small businesses and limited the circulation of the economy, causing a large number of small businesses to undergo financial difficulties. Unfortunately, the severity of the current situation is extreme. On a survey by Main Street America (MSA) over 5,800 local business owners, 83.6% of the business owners reported that they are at risk of permanently closing down their businesses due to the business disruptions caused by the pandemic. That is more than 7.5 million businesses in the United States. In addition, at least 150% more businesses are not having comfort in cash flow holds than 2019, according to the U.S. Chamber of Commerce Small Business Coronavirus Impact Poll. Quick action is necessary to stop and prevent the collapse of these businesses.

Small and local businesses employ a substantial number of employees and are critical to the American economy. Statistics by the U.S. Census Bureau show that approximately 59.9 million people earn a living by working for a small business, accounting for 47.3% of the entire American workforce. Unfortunately, the current situation is threatening most of these jobs. A whopping 72.5% of the small business owners responded to MSA's survey that they will be required to lay off their employees due to COVID-related economic hardships, and of those

respondents, 31.9% of them need to lay off more than five. These layoffs will lead to the loss in purchasing power of many American citizens and ultimately strike the American economy.

As a way to mitigate the destructive effects of the pandemic on small and local businesses, we propose a bill to provide stimulus packages to businesses in need. The stimulus package will include but not limited to low-interest loans, debt extension and forgiveness, cash payments, and paycheck support. Most small businesses often do not have much financial flexibility for such an unexpected pandemic, and they are running out of funds as the pandemic prolongs. Furthermore, most of the businesses are running out of funds from the stimulus packages given more than seven months earlier, and many of them urgently need relief to survive. By providing these stimulus packages, we can allow more small businesses that are in risk of closing down to operate longer until the end of the pandemic and the normalization of society. Furthermore, the stimulus package will keep businesses away from having to lay off their employees, potentially lowering the unemployment rate. It is our responsibility, as the government of the United States, to provide necessary support and relief to the businesses in need for the benefit of the whole society.

**A Bill to bring Stimulus Packages for Small Businesses to  
Alleviate the Economic Impact of COVID-19**

BE IT ENACTED BY THE CONGRESS HERE ASSEMBLED THAT: \$750 billion be allocated to the state governments for stimulus packages as a form of relief for small businesses in economic hardships due to the COVID-19 pandemic.

## SECTION 1.

- (a) The United States House of Representatives will allocate \$750 billion from the federal budget to funding for the stimulus packages for small businesses in desperate need.
  - (i) The House shall distribute funding to state governments based on the number of qualified businesses, the number of people the businesses employ, and their impact on the economy.

## SECTION 2.

- (a) The U.S. Small Business Administration (SBA) will receive a stimulus to be distributed to small business owners.
- (b) The administration shall fairly distribute the stimulus to qualified businesses in need, to prolong the small businesses' survival, and to minimize the unemployment rate for the benefit of the state and national economy.
  - (i) Priority shall be given to businesses that are in the greatest imminent threat, businesses that have the least financial flexibility, and businesses that can create or maintain most jobs with the least amount of cost.

## SECTION 3.

- (a) The administration shall distribute the stimulus using the following methods:
  - (i) by providing one-time or continuous cash relief to fund the businesses' operation,
  - (ii) by paying for a portion of the employees' paychecks,
  - (iii) by providing tax benefits or extensions to businesses that are severely impacted,

- (iv) by providing low-interest loans to businesses with a term of no less than five years and an interest rate of no more than 4%,
- (v) by providing forgiveness or penalty-free, interest-free extensions for the debt the businesses currently have difficulty repaying,
- (vi) by purchasing landlords' rights to collect rent at a discounted price and loan it back to the businesses at a discounted price with a term of no less than three years and an interest rate of no more than 4%, and
- (vii) any other method that the local government deems necessary and beneficial that satisfies the purpose of this bill.

#### SECTION 4.

- (a) A business must meet the following criteria to be qualified for this stimulus package:
  - (i) started operation before March 2020,
  - (ii) currently employs less than 500 employees and had no more than 600 employees within three years prior to March 2020,
  - (iii) generated revenue of less than \$50 million per year prior to March 2020, and
  - (iv) lost revenue of 10% or greater compared to before March 2020.
- (b) The administration shall keep the application of the stimulus packages easy and accessible for all businesses in need, publicly promote and display necessary information in easily accessible locations, and ensure that the stimulus packages are delivered to the businesses in need in a minimal amount of time.

#### SECTION 5.

(a) This bill shall take action upon December 15, 2020.

SECTION 6. All laws in conflict with this legislation are hereby declared null and void.

This bill falls under Article 1, Section 8 of the U.S. Constitution, the necessary and proper clause. The stimulus packages are necessary to prevent businesses from closing, to reduce unemployment, and to ultimately stimulate the economy. Furthermore, Congress and the President already approved and passed the CARES Act, the bill that provided stimulus packages earlier in March and was compliant with the Constitution.

These small businesses did not cause nor contribute to the pandemic; they are too innocent to be one of the biggest victims of it. Part of the responsibility lays on us, the government, for failing to contain the spread of the disease and allowing these businesses to operate. We must exercise our power, granted by the people, for the people of the United States to support them through the difficult times.