

Available state resources and incentives



Michael W. Wise, Teresa Metcalf Beasley, Ashley J. Jericho | Wednesday, April 8, 2020

Many businesses and individuals have felt the economic and financial strain caused by the ongoing COVID-19 pandemic. As the crisis continues to linger, several resources and incentives have been introduced at the state and federal levels. In addition to programs such as those included in the federal CARES Act, state and local governments have tirelessly prepared programs that are intended to relieve some of the economic strain COVID-19 has created. The following programs are resources available to our clients located in Florida, Illinois, Michigan and Ohio.

Florida

- **Short Time Compensation/Work-Sharing Program** - The Short Time Compensation program is administered by the Florida Department of Economic Opportunity and helps employers retain their workforce in times of temporary slowdown by encouraging work sharing as an alternative to layoff. It permits prorated reemployment assistance benefits to employees whose work hours and earnings are reduced, helping to avoid total employee layoffs.
- **Small Business Emergency Bridge Loan Program** – On March 16, Gov. Ron DeSantis activated the Florida Small Business Emergency Bridge Loan Program to support small businesses impacted by COVID-19. The bridge loan program, managed and administered by the Florida Department of Economic Opportunity, provides short-term, interest-free loans to small businesses that experience economic injury from COVID-19. Businesses are eligible for up to \$50,000 at no interest for the first year

Available state resources and incentives

(and up to \$100,000 may be made in special cases) and that interest rate increases to 12% on the unpaid balance for any time beyond the initial year. The loan is designed to bridge the gap between the time a major catastrophe hits and when a business has secured longer term recovery resources, such as sufficient profits from a revived business, receipt of payments on insurance claims or federal disaster assistance. In order to qualify, the business must have been established prior to March 9, 2020, must be an employer business with 2 to 100 employees and must demonstrate economic impacts as a result of COVID-19.

- **Utilities** – Several utility companies, such as FPL, have agreed to suspend termination of services for late or non-payment and to waive late fees. Telecommunication providers including AT&T, Comcast, Sprint, T-Mobile and Verizon, have agreed to offer free or low cost services during the COVID-19 pandemic.

Illinois

- **Chicago Economic Relief Package** - On March 19, 2020, Chicago's Mayor, Lori E. Lightfoot, announced a new \$100 million economic relief package to support Chicago's small businesses that are experiencing revenue losses as a result of the COVID-19 outbreak. The economic relief package is intended to provide much-needed cash flow relief for neighborhood entrepreneurs and businesses over the coming weeks and months. The package includes extended due dates for business-related tax payments until April 30, 2020, including bottled water tax, checkout bag tax, amusement tax, hotel accommodation tax, parking tax, and restaurant tax. The \$100 million emergency fund leverages a \$25 million grant by the city of Chicago, \$50 million in capital by the Chicago Community Catalyst Fund as well as \$10 million from Goldman Sachs' Urban Investment Group, \$1 million from Fifth Third, \$250,000 from Clayco and \$15 million from additional private funding sources. The city is also looking to expand the reach of the program by obtaining additional philanthropic dollars. The new emergency fund will lend up to \$50,000 in working capital loans to neighborhood entrepreneurs suffering substantial economic injury to help support rent and payroll expenses.
- **Downstate Small Business Stabilization Program** – The Downstate Small Business Stabilization Program is a \$20 million program established to support small businesses in suburban and rural counties in Illinois. The program provides grants up to \$25,000 to small businesses in communities served by DCEO's Office of Community Development. The grants will offer businesses of up to 50 employees the opportunity to partner with their respective local governments to obtain grants of up to \$25,000 in working capital.
- **Hospitality Emergency Grant Program** – The Illinois Department of Commerce & Economic Opportunity (DCEO) has provided \$14 million in funds to support working capital expenses including payroll, rent, and job training for hospitality businesses. Bars and restaurants that generated between \$500,000 and \$1 million in revenue in 2019 are eligible for up to \$25,000 and bars and restaurants that generated less than \$500,000 in revenue in 2019 are eligible for up to \$10,000. Hotels that generated less than \$8 million in 2019 are eligible for up to \$50,000.
- **Rapid Response Layoff Reporting & Services** – The Illinois Department of Commerce and Economic Opportunity provides services to Illinois employers who are planning or have gone through a layoff. Rapid Response Services are available to employers that have experienced a permanent closure or mass layoff at a plant, facility, or enterprise, or a natural or other disaster. Employers and workers are provided with on-site information regarding employment and retraining services designed to help retain employment when feasible or obtain re-employment. Services for employers and workers include

Available state resources and incentives

job search and placement assistance, on-the-job training, customized training, remedial education, and career transition services.

- **Small Business COVID-19 Relief Program** – The Illinois State Treasurer has provided up to \$250 million in deposits available to financial institutions throughout the state, at near-zero interest rates, to assist Illinois small business and non-profits negatively affected by COVID-19. Through this program the Treasurer's Office partners with approved financial institutions to provide lower rate loans or loans to a business or non-profit that would not otherwise qualify. State funds will be deposited with qualified financial institutions for a 1-year term and can be drawn in \$1 or \$5 million increments, up to a maximum of \$25 million per financial institution. To qualify, the business must have been shut down or limited operations due to COVID-19, have less than \$1 million in liquid assets or \$8 million average annual receipts, and be headquartered in the state of Illinois or agree to use the funds in Illinois.
- **Small Business Emergency Loan Fund** – DCEO, the Illinois Department of Financial and Professional Regulation (IDFPR), and Accion have partnered together to create the \$60 million Illinois Small Business Emergency Loan Fund to provide low-interest loans for small businesses in every industry outside of Chicago. Loans are available in amounts up to \$50,000 are supported by a \$30 million loan loss reserve, consisting of \$20 million of DCEO funds and \$10 million in funds secured with the partnership with the Illinois banking community. Businesses with 50 employees or less and less than \$3 million in revenue in 2019 are eligible to apply. After 6 months, payments will be fixed at 3% interest for the remainder of a five-year loan term.
- **Tax Filing and Payment Relief** – The Illinois Department of Revenue extended the 2019 income tax filing and payment deadlines for all taxpayers who file and pay Illinois income taxes to July 15, 2020. The relief is automatic and applies to all individual returns, trusts and corporations.
- **Unemployment Insurance** – Individuals without access to paid sick leave or unable to work due to COVID-19 are eligible to apply for unemployment insurance. Under Governor Pritzker executive order, the seven day waiting period for residents to apply for unemployment benefits is waived and eligible applicants are immediately eligible for benefits.
- **Utility Companies** – Chicago's utility company, ComEd, has voluntarily implemented a moratorium on service disconnections for non-payment, effective immediately. The suspension applies to both residential and commercial customers and will remain in effect until at least May 1, 2020. In addition, ComEd has implemented flexible payment plans for customers who indicate economic impact or hardship as a result of COVID-19. Similarly, Illinois American Water announced that it has suspended billing-related service shutoffs. The company is also turning water service back on for customers who were previously shutoff for non-payment.

Michigan

- **Michigan Small Business Relief Program** – The State of Michigan will provide up to \$20 million in immediate support for small businesses hardest hit by COVID-19. The funding will be divided between \$10 million in grants and \$10 million in loans to support small businesses. The funds may be used for working capital to support payroll expenses, rent, mortgage payments, utility expenses, or other similar expenses that occur in the ordinary course of business. Companies with 50 employees or less are eligible for grants, while loans are intended for companies with 100 employees or less that cannot obtain credit elsewhere.
 - Loans – Funding will be provided for low-interest small business loans to eligible borrowers with

Available state resources and incentives

- flexible repayment terms. Loan amounts are not to exceed \$200,000 with an interest rate of 0.25% per annum. To qualify, an eligible business must: (1) be in an industry outlined in the applicable state executive order or demonstrate that it is otherwise affected by COVID-19; (2) have 100 employees or less; (3) need working capital to support expenses incurred in the ordinary course of business; (4) be unable to access credit through alternative sources; and (5) demonstrate income loss.
- Grants – Funding will be provided for grants up to \$10,000 to support eligible small businesses that have suffered significant financial hardship. The amount of support available will be calculated based on the impact of COVID-19 by region. To qualify, an eligible business must: (1) be in an industry outlined in the applicable state executive order or meet one of the following (a) provide support to impacted employees, (b) is located in a downtown district or high impact corridor or has 50 employees or less, or (c) provides services to companies outlined in the applicable executive order; (2) have 50 employees or less; (3) need working capital to support expenses occurred in the ordinary course of business; and (4) demonstrate income loss.
 - **Procurement Assistance** – The Michigan Economic Development Corporation launched a new free, statewide online procurement platform through its Pure Michigan Business Connect program for buyers and suppliers of critical health and human services across a broad range of categories to minimize the impact of COVID-19 throughout the state. The platform allows health and human services providers across Michigan in need of critical supplies to connect with vetted Michigan businesses able to provide goods and services. The program hopes to identify healthcare professionals and small businesses in need of supplies, such as personal protective equipment, and provide solutions to any critical supply chain challenges.
 - **Unemployment Benefits** – An employer or employing unit will not be charged for unemployment benefits if its employees become unemployed because of an executive order requiring them to close or limit operations. Additionally, an employer or employing unit that is required to close or limit its operations due to an executive order, will not have an unemployment insurance tax rate increase if its employees file for benefits.
 - **Utility Assistance** – In accordance with the Federal Communications Commission requesting providers to “Keep Americans Connected,” several utility and telecommunication providers, including Michigan Gas Utilities, Northern States Power Co., AT&T, Comcast, and Sprint have pledged to not terminate service for the next 60 days and waive all late fees for any residential or small business customers.
 - **Work Share Program** – Michigan’s Department of Labor and Economic Opportunity has implemented a work share program to allow employers to maintain operations during declines in regular business activity rather than laying off workers. The program allows employees to continue working with reduced hours, while collecting partial unemployment benefits to make up a portion of the lost wages. Any employer who has a reduction in production, services or other conditions which will cause potential layoffs may participate in the program.

Ohio

- **Banking Community** – The DeWine-Husted Administration has been working closely with representatives throughout the Ohio banking community in order to assist small businesses with the hardships created by the COVID-19 outbreak. Many Ohio banks are taking steps to better assist small businesses by offering loan payment deferrals, fee waivers or refunds, extended credit lines, and suspending foreclosures.

Available state resources and incentives

- **Bureau of Worker's Compensation (BWC)** – The Ohio BWC has deferred insurance premium insurance installment payments for March, April and May until June 1, 2020, for all employers. Employers are not required to opt-in or request that the deferral be granted, the deferral is automatic and will immediately apply. If an employer wishes to continue making payments for March, April and May they are free to do so. Additionally, employers' coverage will not lapse due to non-payment nor will any penalties be assessed for amounts not paid as a result of the COVID-19 pandemic.
- **Dispute Resolution Commission** – Gov. Mike DeWine announced the creation of a Dispute Resolution Commission to evaluate and render guidance in situations where two local health departments have come to a different conclusion for similar businesses on what is or is not an essential business. The determination in question may be submitted by either of the local health departments, or an entity or person subject to the determination.
- **Health Insurance Coverage Flexibility** – On March 20, the Ohio Department of Insurance issued an order that directed all insurers to permit employers to continue covering employees under group policies even if the employee would otherwise become ineligible due to a decrease in hours worked per week. Additionally, insurers are prohibited from increasing premium rates based on decreased enrollment or participation due to COVID-19. The order also requires that insurers grant their insureds the option to defer premium payments, interest free, for up to 60 calendar days.
- **Liquor Buyback Program** – In an effort to assist bars and restaurants with the economic impact of COVID-19, the Ohio Department of Commerce introduced a liquor buyback option. The program allows bars and restaurants to return unopened, high proof liquor products which were obtained within the past 30 days prior to March 16 to the agency where the product was purchased. The option is also extended to individuals and businesses granted a temporary F2 permit for all events scheduled between March 12 and April 6, 2020.
- **Ohio Office of Small Business Relief** - Lt. Governor Jon Husted announced the creation of the Office of Small Business Relief to better coordinate efforts to identify and provide support for Ohio small businesses. The office provides guidance on available economic resources and helps position small businesses for a strong rebound after the current COVID-19 crisis.
- **SharedWork Ohio** – In an attempt to avoid widespread layoffs, Ohio is encouraging employers to utilize Ohio's layoff aversion program, SharedWork Ohio. SharedWork Ohio is a voluntary layoff aversion program which allows workers to remain employed and employers to retain trained staff during times of reduced business activity. Under the program the employer reduces the employees' hours and the Ohio Department of Job and Family Services (ODJFS) provides eligible individuals with unemployment insurance benefits proportionate to their reduced hours. During the pandemic, ODJFS is committed to reviewing and responding to all applications within one week of receipt.
- **State Tax Filing and Payment Extension** – Amended Substitute House Bill 197 extends the deadline to file and pay state income taxes without interest or penalty to July 15, 2020. The extension is available to those filing Ohio individual income tax, school district income tax, pass-through entity and fiduciary income tax, and extends to municipal net profit taxpayers that have opted-in to Ohio's centralized filing system.
- **Suspension of Rent Payments and Evictions** – Gov. DeWine issued an executive order on April 1 [urging](#) landlords and lenders to temporarily suspend rent and loan payments for small businesses, commercial tenants and commercial real estate borrowers. The governor's order requests that landlords suspend rent payments for small business commercial tenants that are facing financial hardship due to COVID-19

Available state resources and incentives

for a period of at least 90 days. Additionally, landlords are requested to provide a moratorium of evictions of small business commercial tenants for at least 90 days. The governor's order also requests that lenders provide a 90 day forbearance period for commercial real estate borrowers with a commercial mortgage loan for a property located in the State of Ohio.

- **Unemployment Benefits** – The Ohio Department of Jobs and Family Services expanded unemployment benefits to employees who otherwise would have been ineligible in light of COVID-19. Employees that have been quarantined, laid off, or rendered inoperative due to COVID-19 are now eligible for unemployment benefits. In addition, in accordance with Gov. DeWine's executive order, the normal one-week waiting period for benefit approval has been waived.
- **Utilities** – In addition to state programs, other entities including a multitude of utility companies, have offered relief incentives to individuals and businesses. For example, utility companies including American Electric Power, Columbia Gas, Dayton Power & Light, Dominion Energy, Duke Energy, and FirstEnergy have halted the suspension of service due to nonpayment during the COVID-19 crisis.

McDonald Hopkins has a team of professionals dedicated to assisting businesses experiencing financial distress as result of the coronavirus. [Click here for a list of articles focused on providing legal and business solutions to the impact of the coronavirus on your business.](#)



Michael W. Wise

[Team member bio](#)



Teresa Metcalf Beasley

[Team member bio](#)



Ashley J. Jericho

[Team member bio](#)