



**WRITTEN TESTIMONY FOR NEW YORK STATE LEGISLATIVE COMMITTEES
AND TASK FORCE
MAY 13, 2020**

**REGARDING THE FEDERAL RESPONSE TO THE ECONOMIC IMPACT OF THE
COVID-19 PANDEMIC ON SMALL BUSINESSES IN NEW YORK STATE**

On behalf of the NYC BID Association, we submit this written testimony regarding the sufficiency of the federal government's COVID-19 pandemic response to small businesses, and how New York State may similarly assist small businesses during this period of economic, social and health upheaval.

The NYC BID Association represents 76 individual business improvement districts which are stewards of commercial corridors across New York City. Our members serve almost 100,000 businesses and invest in neighborhoods. New York City's BIDs are working harder than ever to help our businesses and New York City during this unprecedented crisis. Our mission has always been to support our local businesses, keep neighborhoods safe, and bring prosperity to communities. Never has our work been more vital and essential than it is today. The fact is that our small businesses are suffering unlike ever before. We have long been advocates for our struggling storefront businesses, but they now face unparalleled challenges. Many businesses have been forced to close, and the few that remain open have major operational constraints.

The federal government's assistance through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Paycheck Protection Program (PPP) and Health Care Enhancement Act is deeply appreciated as it has been vital in supporting many of our small businesses and their workers. Of course, more financial assistance is necessary and welcome and should be included in any subsequent federal acts to provide COVID-19 relief until there is sustained economic activity in New York City. The PPP specifically requires changes, including stronger provisions to ensure that loans provided through the program are forgiven, and are not subject to repayment. Other needed changes include:

- Eliminating the 75 percent requirement that PPP funds be used for payroll, and instead allow for a greater percentage to be used for taxes, rent and utilities.
- Extending amount of time to hire back employees from June 30th to Dec 31st.
- Extending the eight-week window in which borrowers must use the money to 24 weeks.
- Allowing businesses to use their Individual Tax Identification Number (ITIN) instead of their Social Security Number, which would allow resident aliens and people with visas to apply for PPP.

Beyond the State Legislature's assistance in requesting additional and expedited federal assistance, we urge you to support policies and pass legislation that will support small

businesses. We appreciate that the Legislature has introduced several bills intended to do just that, but it is imperative that the Senate and the Assembly immediately pursue these initiatives to supplement the directives issued by Governor Cuomo pursuant to the current disaster emergency declaration. We ask that you to pass legislation to:

- Allow small businesses to retain the State share of the sales and use taxes collected by them during the 4th Quarter of 2019 (December 1, 2019 – February 29, 2020) for operational expenses, including payroll, rent and other costs and to explore a similar authority for sales taxes collected during the 1st Quarter of 2020.
- Establish a moratorium on non-health related business violations and fines for small businesses.
- Suspend or defer state and local taxes and fees without penalty until the disaster emergency has expired or is withdrawn.
- Require expedited payment vouchers for organizations and contractors which have active contracts with the State and localities, including New York City.
- Require that the government fund or help to fund employee paid leave programs, including those in effect and those being considered.
- Establish a moratorium on new or passing existing legislation that would remove limits on street vending to the detriment of “brick and mortar” businesses and on legislation that would result in new or increased costs and regulations on small businesses, until the COVID-19 pandemic has ended.¹

The proposed moratorium on new legislation is especially vital since many small businesses are on the cusp of insolvency and the prospect of new costs and regulations will signal to them that there is no long-term prospect for survival even if they can withstand the current economic downturn. While small businesses strongly support their workers, legislation which would obligate employers to provide additional benefits or rights to workers without any corresponding relief to such employers will result in the closure of thousands of businesses. Not only will this result in additional job losses to the already staggering State unemployment rate of approximately 13 percent (a nearly 10 percent increase over the rate in April 2019), but it will ensure that those jobs will not be recovered as more and more small businesses and other employers are forced to close.

The NYC BID Association appreciates the State Legislature’s efforts to improve the federal government’s response to small business needs and we thank you in advance for considering the solutions we have offered. We also, however, urge the Legislature to work with the Cuomo Administration to enact laws and implement policies that protect small businesses as we have proposed above, and ensure these employers can survive the COVID-19 pandemic and once again thrive in our post-pandemic economy.

¹ Several of these recommendations are discussed in greater detail in the NYC BID Association’s *Statement on COVID-19 and Efforts to Save Our Commercial Corridors* (3/19/20). See <http://nycbids.org/wp-content/uploads/2020/03/NYCBA-Position-Statement-COVID-19-Response-1.pdf>

If you have any questions or would like more information about the information contained in this testimony, please feel free to contact us.

Sincerely,



Jennifer Tausig
Co-Chair, NYC BID Association
Executive Director, Jerome Gun Hill BID



Robert Benfatto
Co-Chair, NYC BID Association
Executive Director, Hudson Yards Hell's
Kitchen Alliance

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