

Amendment 1
to
CB 119766
Sponsor: CM Herbold

Limit applicability of the bill to small businesses hardest hit by the COVID-19 emergency

Amend section 5 of the bill, to add the following language as shown:

Section 5. For purposes of this ordinance, “small business” means any business entity, including a sole proprietorship, corporation, partnership, or other legal entity, that (1) is owned and operated independently from all other businesses (a franchisee with five or fewer franchise units shall be considered owned and operated independently from its franchisor) ((, and that)); (2) has fifty or fewer employees per establishment or premises((-)); (3) has either: been forced to close due to an emergency order issued by the Governor or Mayor; or has gross receipts from the previous calendar month of 2020 that are less than 70 percent of its gross receipts for the same month in 2019; and (4) is neither: a general sales and service business with ten or more establishments in operation located anywhere in the world; nor an entertainment use business with five or more establishments in operation located anywhere in the world.

Lish Whitson

Date: April 10, 2020

Version: 5

Effect: The proposed amendment would limit the provisions of the bill to those businesses hardest hit by the COVID-19 emergency either because they were forced to stop doing business during the emergency, or because their revenue has dropped significantly.

The amendment would clarify that franchisees may be considered small businesses, even if the franchisor is excluded from the definition.

Finally, the amendment clarifies that notwithstanding the number of employees per establishment or premises, if a general sales and service (retail) business has ten or more establishments or an entertainment use has five or more establishments, it is not considered a small business.

For businesses excluded from the protections of CB 119766, rents could be increased during the emergency, and property owners would not be required to negotiate a payment plan if rent is not paid on time.