

# Relief Available for Businesses to Ease Burden Caused by COVID-19

**By Mark A. Peasley**

Over the weekend, on Sunday, March 15, 2020, Ohio Governor Mike DeWine issued an executive order closing restaurants and bars in Ohio. Further, similar measures are expected throughout the United States as all levels of government determine appropriate responses to the COVID-19 outbreak. Businesses will be directly and negatively affected by such measures, causing serious financial difficulties for the businesses themselves and their employees. Several potential avenues for relief are available to businesses to help ease the burden caused by governmental restrictions and the simultaneous market downturn.

## **Small Business Administration Loans**

The U.S. Small Business Administration (“SBA”) announced on March 12, 2020 that it is offering designated states and territories low-interest Economic Injury Disaster Loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19).

These loans will be in an amount not to exceed \$2 Million and can be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The interest rate is 3.75% for small businesses and 2.75% for non-profits. The term of the loan will be determined on a case-by-case basis, based upon each borrower's ability to repay. SBA does offer loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years.

To be eligible for these loans, a state or territory must submit the SBA a request for assistance. The Ohio Development Services Agency, Inc. has been quickly compiling information on affected Ohio businesses in order to certify to the SBA that Ohio qualifies for the SBA's Economic Injury Disaster Loan Program. The certification is expected to be provided to the SBA imminently. It is expected that the SBA will be able to review the certification within 2-3 days of receipt. Upon approval of the certification, information for the application process for an Ohio small business to receive an Economic Injury Disaster Loan will be made available by the SBA to all affected communities as well as updated on its website: <https://www.sba.gov/funding-programs/disaster-assistance>. The SBA disaster assistance customer service center can be contacted at 1-800-659-2955 (TTY: 1-800-877-8339) or email [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov).

## **Unemployment Benefits, Charges, and Reporting**

Employees not offered paid leave through their job and who are quarantined by a medical professional, who are quarantined by their employer, or whose employer has temporarily closed will be able to seek unemployment compensation through the Ohio Department of Job and Family Services without the normal requirement to be actively seeking work and without the normal 1-week waiting period usually associated with unemployment applications. However, asymptomatic individuals who self-quarantine will likely not be able to seek unemployment compensation, as they are choosing not to work. Working from home or teleworking will not make an individual eligible for unemployment compensation unless

they meet monetary and weekly eligibility criteria. Employees can be directed to <http://unemployment.ohio.gov> or to call 1-877-644-6562 to apply for benefits.

Additional information on pending actions regarding employees and businesses, including the Emergency Family & Medical Leave Act, Emergency Paid Sick Leave Act, and Tax Credits for Emergency Paid Sick Leave and Paid FMLA can be found [here](#).

### **Liquor Buyback**

For businesses in Ohio affected by the recent executive order closing bars and restaurants, especially in light of the common buildup of liquor inventories in preparation of St. Patrick's Day festivities, the Ohio Department of Commerce has instituted a high-proof liquor buyback program for bars, restaurants, and those who have obtained an F2 temporary permit for events scheduled between March 12, 2020 and April 6, 2020 whose event has been cancelled. To take advantage of the buyback, high-proof liquor may be returned to the Contract Liquor Agency where the product was purchased. The Agency will then seek Liquor Enterprise Service Center approval. For additional information, the Ohio Department of Commerce may be reached at [OhioLiquorInfo@com.ohio.gov](mailto:OhioLiquorInfo@com.ohio.gov) or at 1-877-812-0013.

If you have any questions about this topic, please contact one of the listed Roetzel attorneys.

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