



How the Second COVID-19 Emergency Legislation in D.C. Affects Nonprofits & Small Businesses

On April 7, 2020, the Council of the District of Columbia passed a second emergency bill focused on COVID-19, the "[COVID-19 Response Supplemental Emergency Act of 2020](#)," (the "Emergency Act"). Mayor Bowser is expected to sign the Act into law soon. Several aspects of the District's expanded response to COVID-19 may impact small businesses and nonprofits.

Building on changes in the original legislation that prohibited evictions during the public health emergency and disallowed utility shutoffs, the Emergency Act enacts additional protections for tenants and property owners alike. First, rent increases for residential properties are prohibited for the duration of the public health emergency. Further, phone, cable television, and internet service are now utilities protected from being shut off during the public health emergency.

Next, mortgage servicers under the jurisdiction of the District's Department of Insurance, Securities, and Banking must provide relief to individuals and businesses that demonstrate financial hardship due to COVID-19 during the public health emergency and for 60 days following. Relief includes offering a 90-day deferral of payments, waiving associated late, processing, or other fees, and not reporting information related to the deferral to any credit bureau. Any property owners that receive a mortgage payment deferral must pass along the savings to their tenants, if they rent out the mortgaged property.

Moreover, commercial properties that house businesses closed as a result of the public health emergency are exempt from a vacant property registration and designation during the public health emergency and for 60 days following.

The Emergency Act also clarifies that small business loans awarded and subsequently forgiven under the federal Coronavirus Aid, Relief, and Economic Security Act are excluded from the calculation of gross income for the purpose of franchise taxes.

Consumer protection provisions were also included in the Emergency Act. During and for the 60 days immediately following the public health emergency, most debt collection cases cannot be threatened or filed in the District, and most debt collection remedies are paused. In addition, debt collectors may not initiate communication with debtors except for specified purposes and circumstances.

The Emergency Act also updates unemployment insurance eligibility, including expanding eligibility for the existing [Shared Work Program](#), which provides employers with a viable alternative to laying off employees in tough economic times. Under an approved shared work plan, employers may reduce the hours and wages of employees and affected employees may receive partial unemployment insurance benefits.

Finally, the Emergency Act makes changes to local leave law consistent with the Families First Coronavirus Response Act. Employers with 50 to

April 2020

500 employees must provide up to two weeks of sick and safe leave to employees.

Additional information for nonprofits and small businesses impacted by the coronavirus pandemic is at the D.C. Bar Pro Bono Center's Coronavirus Legal Resources section at www.probono.center/NPSB.

If you have questions about these programs or other legal issues, feel free to contact us at cedinfo@dcbbar.org.

D.C. Bar Pro Bono Center 2020

This communication is provided by the D.C. Bar Pro Bono Center solely for informational purposes, without any representation that it is accurate or complete. It does not constitute legal advice and should not be construed as such. It does not create an attorney-client relationship between the recipient and any other person, or an offer to create such a relationship. This communication contains information that is based, in whole or in part, on the laws of the District of Columbia and is current as of the date it is written. However, laws vary from state to state and may change from time to time. As a result, the information may not be appropriate for anyone operating outside the District of Columbia and may no longer be timely. Consult an attorney if you have questions regarding the contents of this communication.