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TO: Ryan Lambert, Intergovernmental Affairs, U.S. Small Business Administration
FROM: Tim Fox, Attorney General of Montana
CC: William Crozer, Special Assistant to the President, Deputy Director of Intergovernmental Affairs, The White House
DATE: April 3, 2020
RE: CARES Act relief program eligibility for small businesses with gambling revenues

Dear Mr. Lambert:

I have been advised that many small businesses with gambling revenue were made ineligible for relief programs under the CARES Act in recent rulemaking from the Small Business Administration (SBA). This is the issue we spoke about on the telephone after Mr. William Crozer at the White House forwarded your contact information to me. Can you please confirm whether what I am hearing is true. If it is true, please forward to me the citations to the applicable rules that make certain businesses with gambling revenue ineligible for CARES Act relief programs, as well as links to the rules.

I have also been advised that large Nevada casinos were able to secure rulemaking that made their businesses in Nevada eligible for CARES Act relief programs. Please confirm if this is true. If it is true, I am sure that the SBA will understand widespread belief that creating such a disparity in the rules to favor large casinos over small main-street businesses is both unfair and unconscionable during these trying times.

I am deeply concerned about the impact of the COVID-19 crisis on all of America, and particularly the Montana small businesses that dutifully complied with our governor's closure order. Restaurants, bars, taverns, and casinos are the economic foundation of many communities in our state. They not only contribute substantially to our economy, but they also meaningfully contribute to their communities in additional ways.

Montana businesses with gambling revenues undergo a rigorous review and background check before their liquor and gambling licenses can be issued. The owners and investors in these businesses are law-abiding, hardworking, and industrious. As much as any small business, Montana businesses with gambling revenues deserve to be able to count on the United States government to be there for them in this time of crisis.

I reiterate the request that I made last week that the SBA revise its rules to make otherwise qualifying small businesses with gambling revenues eligible for CARES Act relief during the COVID-19 crisis. To do anything less would be unwise, unfair, and unconscionable.

Thank you for your consideration. I look forward to the SBA's response.

Sincerely,

Tim Fox
Attorney General of Montana

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MONTANA DEPARTMENT OF JUSTICE

Legal Services Division ★ Division of Criminal Investigation ★ Highway Patrol Division ★ Forensic Science Division
Gambling Control Division ★ Motor Vehicle Division ★ Information Technology Services Division ★ Central Services Division