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March 30, 2020

The Honorable Jovita Carranza  
Administrator  
U.S. Small Business Administration  
409 3rd Street, SW  
Washington, DC 20416

Dear Administrator Carranza:

I write to request consideration for the 2,400 Montana bars and restaurants (taverns) whose eligibility for relief through the Paycheck Protection Program is currently in question. These small mom and pop establishments are an integral part of the local tourism economy in my state and are among those businesses hardest hit by COVID-19 and corresponding public health closures. I ask that during this national disaster you issue guidelines which ensure vulnerable Montana businesses who depend on small-scale, low-stakes gaming are not unfairly excluded from participation in the Paycheck Protection Program.

Montana Taverns are an integral part of the fabric of life in our rural communities. In addition to offering badly needed local employment, these family-owned businesses are pillars of community support. Unfortunately, Tavern owners have faced tremendous economic uncertainty over the years forcing many to adapt or go out of businesses. After the Montana Legislature legalized small scale, low-stakes gaming in 1985 a significant number of Tavern owners chose to install a limited number of video gaming machines as a means of getting by. Today, the business model for a majority of small bars and taverns is at least partially dependent on legal gaming.

Montana bars and restaurants offering legal gaming are not casinos, yet existing SBA 7(a) loan regulations treat them as such because they receive more than 1/3 of their revenue from legal gaming. If you plan to use similar eligibility criteria for this program, I ask that you consider modifying this criteria to ensure that bars and restaurants who depend on small-scale, low-stakes gaming are not unfairly excluded. This change would prevent casinos and other gambling establishments from receiving SBA loans, while allowing hard-hit Montana tavern owners to get back on their feet.

Thank you for your tireless work over the last several weeks. We appreciate your consideration of this request, and look forward to your prompt reply.

Sincerely,



STEVE DAINES  
United States Senator