

116TH CONGRESS
2D SESSION

S. 3752

To amend title VI of the Social Security Act to establish a Coronavirus
Local Community Stabilization Fund.

IN THE SENATE OF THE UNITED STATES

MAY 18, 2020

Mr. MENENDEZ (for himself, Mr. CASSIDY, Mrs. HYDE-SMITH, Ms. COLLINS,
Mr. MANCHIN, and Mr. BOOKER) introduced the following bill; which was
read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

A BILL

To amend title VI of the Social Security Act to establish
a Coronavirus Local Community Stabilization Fund.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “State Municipal Assist-
5 ance for Response and Transition Act” or the “SMART
6 Act”.

1 **SEC. 2. CORONAVIRUS LOCAL COMMUNITY STABILIZATION**
 2 **FUND.**

3 (a) IN GENERAL.—Title VI of the Social Security
 4 Act, as added by section 5001(a) of the Coronavirus Aid,
 5 Relief, and Economic Security Act (Public Law 116–136),
 6 is amended by adding at the end the following:

7 **“SEC. 602. CORONAVIRUS LOCAL COMMUNITY STABILIZA-**
 8 **TION FUND.**

9 “(a) APPROPRIATION.—

10 “(1) IN GENERAL.—Out of any money in the
 11 Treasury of the United States not otherwise appro-
 12 priated, there are appropriated for making payments
 13 to States under this section, \$500,000,000,000 for
 14 fiscal year 2020, to remain available until expended.

15 “(2) RESERVATION OF FUNDS.—Of the amount
 16 appropriated under paragraph (1), the Secretary
 17 shall reserve \$16,000,000,000 of such amount for
 18 making payments to Tribal governments under sub-
 19 section (c)(7).

20 “(b) AUTHORITY TO MAKE PAYMENTS.—

21 “(1) IN GENERAL.—The Secretary shall pay
 22 each State the following amounts:

23 “(A) Not later than 30 days after the date
 24 of enactment of this section, the relative popu-
 25 lation proportion amount determined for the
 26 State under subsection (c)(1).

1 “(B) Not later than 30 days after the date
 2 of enactment of this section, the relative in-
 3 fected population proportion amount deter-
 4 mined for the State under subsection (c)(2).

5 “(C) As soon as practicable after Decem-
 6 ber 31, 2020, the relative lost revenue propor-
 7 tion amount determined for the State under
 8 subsection (c)(3).

9 “(2) AMOUNTS RESERVED FOR PAYMENTS TO
 10 LOCAL GOVERNMENTS.—A State shall reserve $\frac{1}{3}$ of
 11 each amount received by the State under paragraph
 12 (1) to make direct payments to units of local govern-
 13 ment in the State under subsection (c)(6).

14 “(c) PAYMENT AMOUNTS.—

15 “(1) RELATIVE POPULATION PROPORTION
 16 AMOUNT.—Subject to paragraph (5), the relative
 17 population proportion amount for a State is the
 18 product of—

19 “(A) \$161,333,333,333; and

20 “(B) the amount equal to the quotient
 21 of—

22 “(i) the population of the State; and

23 “(ii) the total population of all States.

24 “(2) RELATIVE INFECTED POPULATION PRO-
 25 PORTION AMOUNT.—Subject to subparagraph (5),

1 the relative infected population proportion amount
2 determined under this paragraph for a State is the
3 product of—

4 “(A) \$161,333,333,333; and

5 “(B) the quotient of—

6 “(i) the cumulative population of the
7 State that has been infected with
8 Coronavirus Disease 2019 (COVID–19) as
9 of June 1, 2020 (including individuals who
10 were infected and have recovered as of
11 such date); and

12 “(ii) the total cumulative population
13 of all States that has been infected with
14 Coronavirus Disease 2019 (COVID–19) as
15 of such date (including individuals who
16 were infected and have recovered as of
17 such date).

18 “(3) RELATIVE LOST REVENUE PROPORTION
19 AMOUNT.—The relative lost revenue proportion
20 amount determined under this paragraph for a State
21 is the product of—

22 “(A) \$161,333,333,333; and

23 “(B) the quotient of—

1 “(i) the lost revenue amount deter-
2 mined for the State under paragraph (4);
3 and

4 “(ii) the sum of the lost revenue
5 amounts determined for all States under
6 paragraph (4).

7 “(4) LOST REVENUE AMOUNT.—

8 “(A) IN GENERAL.—For purposes of para-
9 graph (3), with respect to a State, the lost rev-
10 enue amount is the amount equal to the
11 amount by which—

12 “(i) the amount of revenue from taxes
13 or other sources for the State for calendar
14 year 2019; exceeds

15 “(ii) subject to subparagraph (B), the
16 amount of revenue from taxes or other
17 sources for the State for calendar year
18 2020 (as certified by the Governor of the
19 State).

20 “(B) ADJUSTMENTS TO LOST REVENUE
21 AMOUNT.—For purposes of subparagraph
22 (A)(ii), the amount of revenue from taxes or
23 other sources for a State and calendar year
24 2020 shall be adjusted in the following manner:

1 “(i) Such amount shall exclude any
2 funds received by the State in calendar
3 year 2020 under this title.

4 “(ii) Such amount shall be increased
5 by the amount of any reduction to State
6 revenue from taxes or other sources for
7 calendar year 2020 that results from the
8 State—

9 “(I) enacting a tax cut, rebate,
10 deduction, or credit; or

11 “(II) reducing, delaying, or elimi-
12 nating any fee or other source of rev-
13 enue.

14 “(iii) Such amount shall be reduced
15 by the amount of any expenditures made
16 by the State during calendar year 2020
17 necessary to meet the non-Federal share
18 contribution requirement of any public as-
19 sistance that is provided under the Robert
20 T. Stafford Disaster Relief and Emergency
21 Assistance Act (42 U.S.C. 5121 et seq.) on
22 the basis of a disaster or emergency dec-
23 laration under such Act that—

24 “(I) is declared during the period
25 beginning on January 1, 2020, and

1 ending on the date of enactment of
2 this section; and

3 “(II) is not related to the
4 COVID–19 pandemic.

5 “(5) COMBINED MINIMUM PAYMENT AMOUNT
6 FOR RELATIVE POPULATION AND RELATIVE IN-
7 FECTED POPULATION AMOUNTS.—

8 “(A) IN GENERAL.—The sum of the
9 amounts determined under paragraphs (1) and
10 (2) for a State described in subparagraph (C)
11 shall not be less than \$2,000,000,000.

12 “(B) PRO RATA ADJUSTMENTS.—The Sec-
13 retary shall adjust on a pro rata basis the
14 amounts determined under paragraph (2) for
15 each State described in subparagraph (C) to the
16 extent necessary to comply with the require-
17 ment of subparagraph (A).

18 “(C) STATES DESCRIBED.—The States de-
19 scribed in this subparagraph are each of the 50
20 States, the District of Columbia, and Puerto
21 Rico.

22 “(6) DIRECT PAYMENTS TO UNITS OF LOCAL
23 GOVERNMENT.—Not later than 15 days after a
24 State receives a payment under paragraph (1) of
25 subsection (b), the State shall make the following

1 payments from the amount reserved by the State
 2 under paragraph (2) of that subsection with respect
 3 to such State payment:

4 “(A) DIRECT PAYMENTS TO COUNTIES
 5 AND MUNICIPALITIES BASED ON POPU-
 6 LATION.—From each of the amounts reserved
 7 by a State under paragraph (2) of subsection
 8 (b) with respect to the payments received by the
 9 State under subparagraphs (A) and (B) of
 10 paragraph (1) of that subsection, the State
 11 shall pay to each unit of local government in
 12 the State that is a county or a municipality an
 13 amount equal to the product of—

14 “(i) 50 percent of the amount so re-
 15 served; and

16 “(ii) the quotient of—

17 “(I) the population of the county
 18 or municipality (as applicable); and

19 “(II) the total population of—

20 “(aa) in the case of a coun-
 21 ty, all counties in the State; or

22 “(bb) in the case of a mu-
 23 nicipality, all municipalities in
 24 the State.

1 “(B) DIRECT PAYMENTS TO COUNTIES
 2 AND MUNICIPALITIES BASED ON LOST REV-
 3 ENUE.—From the amount reserved by a State
 4 under paragraph (2) of subsection (b) with re-
 5 spect to the payment received by the State
 6 under subparagraph (C) of paragraph (1) of
 7 that subsection, the State shall pay to each unit
 8 of local government in the State that is a coun-
 9 ty or a municipality an amount equal to the
 10 product of—

11 “(i) 50 percent of the amount so re-
 12 served; and

13 “(ii) the quotient of—

14 “(I) the lost revenue amount de-
 15 termined for the county or munici-
 16 pality (as applicable) under subpara-
 17 graph (C); and

18 “(II) the total lost revenue
 19 amounts determined under subpara-
 20 graph (C) for—

21 “(aa) in the case of a coun-
 22 ty, all counties in the State; or

23 “(bb) in the case of a mu-
 24 nicipality, all municipalities in
 25 the State.

1 “(C) LOST REVENUE AMOUNT.—For pur-
 2 poses of subparagraph (B), with respect to a
 3 county or municipality, the lost revenue amount
 4 shall be determined in the same manner as the
 5 lost revenue amount for a State is determined
 6 under paragraph (4).

7 “(7) PAYMENTS TO TRIBAL GOVERNMENTS.—
 8 The amounts paid under this section to Tribal gov-
 9 ernments from the amount reserved under sub-
 10 section (a)(2) shall be paid not later than 30 days
 11 after the date of enactment of this section, and shall
 12 be determined in the same manner as the amounts
 13 paid to Tribal governments under section 601(c)(7)
 14 except that, for purposes of this section—

15 “(A) the term ‘Tribal government’ means
 16 the governing body of an Indian Tribe included
 17 on the most recent list published by the Sec-
 18 retary pursuant to section 104 of the Federally
 19 Recognized Indian Tribe List Act of 1994 (25
 20 U.S.C. 5131); and

21 “(B) the term ‘Indian Tribe’ has the
 22 meaning given that term in section 102 of such
 23 Act (25 U.S.C. 5130), except that such term
 24 shall not include an Alaska Native regional or
 25 village corporation established pursuant to the

1 Alaska Native Claims Settlement Act (43
2 U.S.C. 1601 et seq.).

3 “(8) DATA.—For purposes of this subsection—

4 “(A) the population of States, units of
5 local governments, and Indian Tribes shall be
6 determined based on the most recent year for
7 which data are available from the Bureau of the
8 Census;

9 “(B) the determination of the populations
10 of States infected with COVID–19 shall be
11 based on data from the Centers for Disease
12 Control and Prevention; and

13 “(C) where Indian Tribal population can-
14 not be readily determined by the most recent
15 year for which data are available from the Bu-
16 reau of the Census, the Department may con-
17 sider tribal population data from the Depart-
18 ment of Interior or Department of Housing and
19 Urban Development.

20 “(d) USE OF FUNDS.—

21 “(1) IN GENERAL.—Amounts paid or distrib-
22 uted under this subsection shall be used—

23 “(A) to cover only those costs of the State,
24 unit of local government, or Tribal government
25 that—

1 “(i) are necessary expenditures in-
2 curred due to the public health emergency
3 with respect to the Coronavirus Disease
4 2019 (COVID–19) (including expenditures
5 necessary to meet the non-Federal share
6 contribution requirement of any public as-
7 sistance that is provided under the Robert
8 T. Stafford Disaster Relief and Emergency
9 Assistance Act (42 U.S.C. 5121 et seq.) on
10 the basis of a disaster or emergency dec-
11 laration under such Act that is declared in
12 calendar year 2020;

13 “(ii) were not accounted for in the
14 budget most recently approved as of March
15 27, 2020, for the State or local govern-
16 ment; and

17 “(iii) were incurred during the period
18 that begins on March 1, 2020, and ends on
19 December 31, 2022; or

20 “(B) for expenditures in calendar year
21 2020, 2021, or 2022 that the State, Tribal gov-
22 ernment, or unit of local government would oth-
23 erwise be unable to make because of decreased
24 or delayed revenues.

1 “(2) LIMITATION.—No State may use funds
2 made available under this section for deposit into
3 any State pension fund.

4 “(e) FAIR AND EQUITABLE BUDGETING REQUIRE-
5 MENT.—As a condition for receiving amounts paid under
6 this subsection, each State, to the extent allowable by
7 State law, shall agree—

8 “(1) to base any cut to funding to units of local
9 government under the State budget on emergency
10 need, and shall ensure that such cuts are balanced
11 to ensure all units of local government are treated
12 fairly;

13 “(2) to primarily use economic conditions,
14 budgetary shortfall, and revenue loss for each re-
15 spective county and municipality, as compared to
16 2019 levels, to determine whether any such cut is
17 balanced and appropriate; and

18 “(3) that the State legislative body shall have
19 the authority to disapprove such a cut if it violates
20 a condition of paragraph (1) or (2).

21 “(f) APPLICATION OF OTHER PROVISIONS.—

22 “(1) DEFINITIONS.—

23 “(A) IN GENERAL.—Except as otherwise
24 provided in this paragraph and subsection
25 (c)(7), the terms used in this section have the

1 meanings given those terms in subsection (g) of
2 section 601.

3 “(B) COUNTY.—The term ‘county’ means
4 a county, parish, or other equivalent county di-
5 vision (as defined by the Bureau of the Cen-
6 sus).

7 “(C) UNIT OF LOCAL GOVERNMENT.—In
8 this section, the term ‘unit of local government’
9 means a county, municipality, town, township,
10 village, parish, borough, or other unit of general
11 government below the State level.

12 “(2) OVERSIGHT.—The amounts paid under
13 this section—

14 “(A) shall be subject to the oversight re-
15 quirements of subsection (f) of section 601 in
16 the same manner as such requirements apply to
17 the amounts paid under that section, and the
18 recoupment authority under paragraph (2) of
19 that subsection shall apply to oversight of com-
20 pliance with the use of funds requirements of
21 subsection (d) of this section and the fair and
22 equitable budgeting requirements of subsection
23 (e) of this section; and

24 “(B) shall be distributed in accordance
25 with all applicable Federal laws.

1 “(3) IG FUNDING AUTHORITY.—Notwith-
2 standing section 601(f)(3), the Inspector General of
3 the Department of the Treasury may use the
4 amounts appropriated under that section to carry
5 out oversight and recoupment activities under this
6 section in addition to the oversight and recoupment
7 activities carried out under section 601(f).”.

8 (b) CONFORMING AMENDMENTS.—Section 601(d) of
9 title VI of the Social Security Act, as added by section
10 5001(a) of the Coronavirus Aid, Relief, and Economic Se-
11 curity Act (Public Law 116–136), is amended—

12 (1) by redesignating paragraphs (1) through
13 (3) as subparagraphs (A) through (C), respectively,
14 and adjusting the margins accordingly;

15 (2) in subparagraph (A) (as so redesignated),
16 by inserting “(including expenditures necessary to
17 meet the non-Federal share contribution require-
18 ment of any public assistance that is provided under
19 the Robert T. Stafford Disaster Relief and Emer-
20 gency Assistance Act (42 U.S.C. 5121 et seq.) on
21 the basis of a disaster or emergency declaration
22 under such Act that is declared in calendar year
23 2020)” before the semicolon;

1 (3) in subparagraph (C) (as so redesignated),
2 by striking the period at the end and inserting “;
3 and”;

4 (4) by striking “under this section to cover
5 only” and inserting “under this section—
6 “(1) to cover only—”; and

7 (5) by adding at the end the following new
8 paragraph:

9 “(2) for expenditures in calendar year 2020,
10 2021, or 2022 that the State, Tribal government, or
11 unit of local government would otherwise be unable
12 to make because of decreased or delayed revenues.”.

○