

116TH CONGRESS 2D SESSION

H. R. 6328

To authorize Federal reserve banks to purchase COVID-19 related municipal issuances, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

March 23, 2020

Ms. Tlaib (for herself, Ms. Pressley, Ms. Ocasio-Cortez, Mr. San Nicolas, Ms. Norton, Ms. Jayapal, Mr. Raskin, Mr. Levin of Michigan, Mr. García of Illinois, Mrs. Carolyn B. Maloney of New York, Ms. Omar, Mr. Green of Texas, Mr. Carson of Indiana, Mrs. Watson Coleman, Mr. Pocan, Ms. Velázquez, Mr. Neguse, Mr. Soto, Mr. Danny K. Davis of Illinois, Mr. Rouda, Mr. Nadler, Ms. Adams, Ms. Garcia of Texas, and Ms. Haaland) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To authorize Federal reserve banks to purchase COVID— 19 related municipal issuances, and for other purposes.

- 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 "Emergency Relief for
- 5 State, Territorial and Local Governments Act of 2020".

1	SEC. 2. PURCHASE OF COVID-19 RELATED MUNICIPAL
2	ISSUANCES.
3	(a) Amendment to Authority To Buy and Sell
4	Bonds and Notes.—Section 14(b) of the Federal Re-
5	serve Act (12 U.S.C. 355) is amended—
6	(1) in paragraph (1)—
7	(A) by inserting "and during unusual and
8	exigent circumstances," before "bonds issued";
9	and
10	(B) by striking "of 1933" and all that fol-
11	lows through "assured revenues"; and
12	(2) by adding at the end the following:
13	"(3) STATE DEFINED.—In this section, the
14	term 'State' means each of the several States, the
15	District of Columbia, each territory and possession
16	of the United States, and each federally recognized
17	Indian Tribe.".
18	(b) Federal Reserve Authorization To Pur-
19	CHASE COVID-19 RELATED MUNICIPAL ISSUANCES.—
20	(1) AUTHORITY.—Within seven days after the
21	date of enactment of this subsection, the Federal
22	Reserve Board of Governors shall establish a facility
23	to buy and sell, at home or abroad, bills, notes,
24	bonds, and warrants that are issued by any State or
25	political subdivision thereof between March 1, 2020,
26	and July 1, 2021, in order to fund a public health

- or public service response to the COVID-19 pandemic. The Board of Governors of the Federal Reserve System may extend the authority under this subsection if the Board determines necessary.
 - (2) REQUIRED PURCHASES.—The Board of Governors of the Federal Reserve System shall establish policies and procedures to require the direct placement of bills, notes, bonds, and warrants described in paragraph (1) with the Board at an interest cost that does not exceed the Federal funds rate target for short-term interbank lending, within seven days after the date of enactment of this section.
 - (3) Review of spending.—During the 3-year period beginning on the date on which all purchases under this section are completed, relevant Federal authorities shall review such purchases to determine if funds were diverted from legitimate public health or public services responses to the COVID-19 pandemic to make such purchase. The relevant Federal authorities shall take appropriate action based on findings of such review.
 - (4) Definitions.—In this subsection:
- 23 (A) PUBLIC HEALTH OR PUBLIC SERVICE 24 RESPONSE TO THE COVID—19 PANDEMIC.—The

1	term "public health or public service response
2	to the COVID-19 pandemic" means—
3	(i) the purchase, manufacture, or de-
4	livery of medical equipment, facilities, or
5	services—
6	(I) to treat or quarantine
7	COVID-19 patients;
8	(II) to protect first responders
9	interacting with such patients; or
10	(III) to test for COVID-19 infec-
11	tions and track social contacts of pa-
12	tients who have tested positive for the
13	virus;
14	(ii) the purchase, manufacture, or de-
15	livery of basic living supports for individ-
16	uals who are not COVID-19 patients dur-
17	ing periods of voluntary or mandatory so-
18	cial distancing or quarantine designed to
19	prevent the spread of COVID-19; or
20	(iii) the maintenance and delivery of
21	basic public services to communities re-
22	sponding to the public health or economic
23	effects of the COVID-19 pandemic.
24	(B) STATE.—The term "State" means
25	each of the several States, the District of Co-

lumbia, each territory and possession of the
United States, and each federally recognized Indian Tribe.

 \bigcirc