

116TH CONGRESS
2D SESSION

S. _____

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

IN THE SENATE OF THE UNITED STATES

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 _____

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”.

7 **SEC. 2. CORONAVIRUS LOCAL COMMUNITY STABILIZATION**
8 **FUND.**

9 (a) IN GENERAL.—Title VI of the Social Security
10 Act, as added by section 5001(a) of the Coronavirus Aid,

1 Relief, and Economic Security Act (Public Law 116–136),
2 is amended by adding at the end the following:

3 **“SEC. 602. CORONAVIRUS LOCAL COMMUNITY STABILIZA-**
4 **TION FUND.**

5 “(a) APPROPRIATION.—

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

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

16 “(b) AUTHORITY TO MAKE PAYMENTS.—

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

19 “(A) Not later than 30 days after the date
20 of enactment of this section, the relative popu-
21 lation proportion amount determined for the
22 State under subsection (c)(1).

23 “(B) Not later than 30 days after the date
24 of enactment of this section, the relative in-

1 fected population proportion amount deter-
2 mined for the State under subsection (c)(2).

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

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

12 “(c) PAYMENT AMOUNTS.—

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

17 “(A) \$161,333,333,333; and

18 “(B) the amount equal to the quotient
19 of—

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

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

22 “(2) RELATIVE INFECTED POPULATION PRO-
23 PORTION AMOUNT.—Subject to subparagraph (5),
24 the relative infected population proportion amount

1 determined under this paragraph for a State is the
2 product of—

3 “(A) \$161,333,333,333; and

4 “(B) the quotient of—

5 “(i) the population of the State in-
6 fected with Coronavirus Disease 2019
7 (COVID–19) on June 1, 2020; and

8 “(ii) the total population infected with
9 Coronavirus Disease 2019 (COVID–19) of
10 all States on such date.

11 “(3) RELATIVE LOST REVENUE PROPORTION
12 AMOUNT.—The relative lost revenue proportion
13 amount determined under this paragraph for a State
14 is the product of—

15 “(A) \$161,333,333,333; and

16 “(B) the quotient of—

17 “(i) the lost revenue amount deter-
18 mined for the State under paragraph (4);
19 and

20 “(ii) the sum of the lost revenue
21 amounts determined for all States under
22 paragraph (4).

23 “(4) LOST REVENUE AMOUNT.—

24 “(A) IN GENERAL.—For purposes of para-
25 graph (3), with respect to a State, the lost rev-

1 enue amount is the amount equal to the
2 amount by which—

3 “(i) the amount of revenue from taxes
4 or other sources for the State for calendar
5 year 2019; exceeds

6 “(ii) subject to subparagraph (B), the
7 amount of revenue from taxes or other
8 sources for the State for calendar year
9 2020 (as certified by the Governor of the
10 State).

11 “(B) ADJUSTMENTS TO LOST REVENUE
12 AMOUNT.—For purposes of subparagraph
13 (A)(ii), the amount of revenue from taxes or
14 other sources for a State and calendar year
15 2020 shall be adjusted in the following manner:

16 “(i) Such amount shall exclude any
17 funds received by the State in calendar
18 year 2020 under this title.

19 “(ii) Such amount shall be increased
20 by the amount of any reduction to State
21 revenue from taxes or other sources for
22 calendar year 2020 that results from the
23 State—

24 “(I) enacting a tax cut, rebate,
25 deduction, or credit; or

1 “(II) reducing, delaying, or elimi-
2 nating any fee or other source of rev-
3 enue.

4 “(iii) Such amount shall be reduced
5 by the amount of any expenditures made
6 by the State during calendar year 2020
7 necessary to meet the non-Federal share
8 contribution requirement of any public as-
9 sistance that is provided under the Robert
10 T. Stafford Disaster Relief and Emergency
11 Assistance Act (42 U.S.C. 5121 et seq.) on
12 the basis of a disaster or emergency dec-
13 laration under such Act that—

14 “(I) is declared during the period
15 beginning on January 1, 2020, and
16 ending on the date of enactment of
17 this section ; and

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

20 “(5) COMBINED MINIMUM PAYMENT AMOUNT
21 FOR RELATIVE POPULATION AND RELATIVE IN-
22 FECTED POPULATION AMOUNTS.—

23 “(A) IN GENERAL.—The sum of the
24 amounts determined under paragraphs (1) and

1 (2) for a State described in subparagraph (C)
2 shall not be less than \$2,000,000,000.

3 “(B) PRO RATA ADJUSTMENTS.—The Sec-
4 retary shall adjust on a pro rata basis the
5 amounts determined under paragraph (2) for
6 each State described in subparagraph (C) to the
7 extent necessary to comply with the require-
8 ment of subparagraph (A).

9 “(C) STATES DESCRIBED.—The States de-
10 scribed in this subparagraph are each of the 50
11 States, the District of Columbia, and Puerto
12 Rico.

13 “(6) DIRECT PAYMENTS TO UNITS OF LOCAL
14 GOVERNMENT.—Not later than 15 days after a
15 State receives a payment under paragraph (1) of
16 subsection (b), the State shall make the following
17 payments from the amount reserved by the State
18 under paragraph (2) of that subsection with respect
19 to such State payment:

20 “(A) DIRECT PAYMENTS TO COUNTIES
21 AND MUNICIPALITIES BASED ON POPU-
22 LATION.—From each of the amounts reserved
23 by a State under paragraph (2) of subsection
24 (b) with respect to the payments received by the
25 State under subparagraphs (A) and (B) of

1 paragraph (1) of that subsection, the State
2 shall pay to each unit of local government in
3 the State that is a county or a municipality an
4 amount equal to the product of—

5 “(i) 50 percent of the amount so re-
6 served; and

7 “(ii) the quotient of—

8 “(I) the population of the county
9 or municipality (as applicable); and

10 “(II) the total population of—

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

13 “(bb) in the case of a mu-
14 nicipality, all municipalities in
15 the State.

16 “(B) DIRECT PAYMENTS TO COUNTIES
17 AND MUNICIPALITIES BASED ON LOST REV-
18 ENUE.—From the amount reserved by a State
19 under paragraph (2) of subsection (b) with re-
20 spect to the payment received by the State
21 under subparagraph (C) of paragraph (1) of
22 that subsection, the State shall pay to each unit
23 of local government in the State that is a coun-
24 ty or a municipality an amount equal to the
25 product of—

1 “(i) 50 percent of the amount so re-
2 served; and

3 “(ii) the quotient of—

4 “**(I)** the lost revenue amount de-
5 termined for the county or munici-
6 pality (as applicable) under subpara-
7 graph (C); and

8 “**(II)** the total lost revenue
9 amounts determined under subpara-
10 graph (C) for—

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

13 “(bb) in the case of a mu-
14 nicipality, all municipalities in
15 the State.

16 “**(C) LOST REVENUE AMOUNT.**—For pur-
17 poses of subparagraph (B), with respect to a
18 county or municipality, the lost revenue amount
19 shall be determined in the same manner as the
20 lost revenue amount for a State is determined
21 under paragraph (4).

22 “**(7) PAYMENTS TO TRIBAL GOVERNMENTS.**—
23 The amounts paid under this section to Tribal gov-
24 ernments from the amount reserved under sub-
25 section (a)(2) shall be paid not later than 30 days

1 after the date of enactment of this section, and shall
2 be determined in the same manner as the amounts
3 paid to Tribal governments under section 601(c)(7)
4 except that, for purposes of this section—

5 “(A) the term ‘Tribal government’ means
6 the governing body of an Indian Tribe included
7 on the most recent list published by the Sec-
8 retary pursuant to section 104 of the Federally
9 Recognized Indian Tribe List Act of 1994 (25
10 U.S.C. 5131); and

11 “(B) the term ‘Indian Tribe’ has the
12 meaning given that term in section 102 of such
13 Act (25 U.S.C. 5130), except that such term
14 shall not include an Alaska Native regional or
15 village corporation established pursuant to the
16 Alaska Native Claims Settlement Act (43
17 U.S.C. 1601 et seq.).

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

19 “(A) the population of States, units of
20 local governments, and Indian Tribes shall be
21 determined based on the most recent year for
22 which data are available from the Bureau of the
23 Census; and

24 “(B) the determination of the populations
25 of States infected with COVID–19 shall be

1 based on data from the Centers for Disease
2 Control and Prevention.

3 “(C) Where Indian Tribal population can-
4 not be readily determined by the most recent
5 year for which data are available from the Bu-
6 reau of the Census, the Department may con-
7 sider tribal population data from the Depart-
8 ment of Interior or Department of Housing and
9 Urban Development.

10 “(d) USE OF FUNDS.—

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

13 “(A) to cover only those costs of the State,
14 unit of local government, or Tribal government
15 that—

16 “(i) are necessary expenditures in-
17 curred due to the public health emergency
18 with respect to the Coronavirus Disease
19 2019 (COVID–19) (including expenditures
20 necessary to meet the non-Federal share
21 contribution requirement of any public as-
22 sistance that is provided under the Robert
23 T. Stafford Disaster Relief and Emergency
24 Assistance Act (42 U.S.C. 5121 et seq.) on
25 the basis of a disaster or emergency dec-

1 laration under such Act that is declared in
2 calendar year 2020;

3 “(ii) were not accounted for in the
4 budget most recently approved as of March
5 27, 2020, for the State or local govern-
6 ment; and

7 “(iii) were incurred during the period
8 that begins on March 1, 2020, and ends on
9 December 31, 2022; or

10 “(B) for expenditures in calendar year
11 2020, 2021, or 2022 that the State, Tribal gov-
12 ernment, or unit of local government would oth-
13 erwise be unable to make because of decreased
14 or delayed revenues.

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

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

22 “(1) to base any cut to funding to units of local
23 government under the State budget on emergency
24 need, and shall ensure that such cuts are balanced

1 to ensure all units of local government are treated
2 fairly;

3 “(2) to primarily use economic conditions,
4 budgetary shortfall, and revenue loss for each re-
5 spective county and municipality, as compared to
6 2019 levels, to determine whether any such cut is
7 balanced and appropriate; and

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

11 “(f) APPLICATION OF OTHER PROVISIONS.—

12 “(1) DEFINITIONS.—

13 “(A) IN GENERAL.—Except as otherwise
14 provided in this paragraph and subsection
15 (c)(7), the terms used in this section have the
16 meanings given those terms in subsection (g) of
17 section 601.

18 “(B) COUNTY.—The term ‘county’ means
19 a county, parish, or other equivalent county di-
20 vision (as defined by the Bureau of the Cen-
21 sus).

22 “(C) UNIT OF LOCAL GOVERNMENT.—In
23 this section, the term ‘unit of local government’
24 means a county, municipality, town, township,

1 village, parish, borough, or other unit of general
2 government below the State level.

3 “(2) OVERSIGHT.—The amounts paid under
4 this section—

5 “(A) shall be subject to the oversight re-
6 quirements of subsection (f) of section 601 in
7 the same manner as such requirements apply to
8 the amounts paid under that section, and the
9 recoupment authority under paragraph (2) of
10 that subsection shall apply to oversight of com-
11 pliance with the use of funds requirements of
12 subsection (d) of this section and the fair and
13 equitable budgeting requirements of subsection
14 (e) of this section; and

15 “(B) shall be distributed in accordance
16 with all applicable Federal laws.

17 “(3) IG FUNDING AUTHORITY.—Notwith-
18 standing section 601(f)(3), the Inspector General of
19 the Department of the Treasury may use the
20 amounts appropriated under that section to carry
21 out oversight and recoupment activities under this
22 section in addition to the oversight and recoupment
23 activities carried out under section 601(f).”.

24 (b) CONFORMING AMENDMENTS.—Section 601(d) of
25 title VI of the Social Security Act, as added by section

1 5001(a) of the Coronavirus Aid, Relief, and Economic Se-
2 curity Act (Public Law 116–136), is amended—

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

6 (2) in subparagraph (A) (as so redesignated),
7 by inserting “(including expenditures necessary to
8 meet the non-Federal share contribution require-
9 ment of any public assistance that is provided under
10 the Robert T. Stafford Disaster Relief and Emer-
11 gency Assistance Act (42 U.S.C. 5121 et seq.) on
12 the basis of a disaster or emergency declaration
13 under such Act that is declared in calendar year
14 2020)” before the semicolon;

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

18 (4) by striking “under this section to cover
19 only” and inserting “under this section—

20 “(1) to cover only—”; and

21 (5) by adding at the end the following new
22 paragraph:

23 “(2) for expenditures in calendar year 2020,
24 2021, or 2022 that the State, Tribal government, or

1 unit of local government would otherwise be unable
2 to make because of decreased or delayed revenues.”.