

Issued April 14, 2020

Coronavirus Community Relief Act H.R. 6467

\$250 Billion at Stake

Recently introduced in the U.S. House of Representatives, the Coronavirus Community Relief Act would appropriate \$250 billion for direct payments to local governments with a population of 500,000 or less. This includes counties, municipalities, towns, townships, villages, parishes, boroughs, and other units of general government below the State level.

Payments Based on Relative Population

Payments would be made based on the "relative unit of local government population," which is, in turn, a proportionate share of its respective State's population proportion. For purposes of these calculations, the population numbers are "based on the most recent year for which data are available from the Bureau of the Census." Even if a local government received an allocation pursuant to the CARES Act (PL 116-136 / H.R. 748), those payments will NOT reduce the local government's share under the Coronavirus Community Relief Act.

Permitted Uses of the Funds

Payments made under the Coronavirus Community Relief Act must be used by local government to cover costs incurred between March 1, 2020, and December 30, 2020, that "are reasonably deemed by the unit of local government to be necessary; and ... directly or indirectly involve, relate to, are, have been, or will be incurred due to, or are, have been, or will be a response to circumstances caused by, the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)."

Permitted costs under the Act include, but are not limited to, "lost revenue, reimbursement for expenses already incurred, and increases in costs reasonably believed to be the direct or indirect result of, or direct or indirect responses to circumstances caused by, the public health emergency with respect to" COVID-19.

If a unit of local government does not need all of the funds that it receives for the approved purposes, it may transfer such funds to another unit of local government in the State for the permitted uses under the Act.

Payment is to be made within 30 days after a local government submits a required certification. The required certification must be signed by the Chief Executive (or equivalent) of the unit of local government and verify that the local government's uses of the funds are or will be consistent with the approved purposes identified above.

Call to Arms

This Act would provide a very meaningful infusion of funding for local governments. So, please take time to reach out to your Representative in the House to ask for their support. Bipartisan support will be key. Contact your Representative by clicking the following link provided by the National League of Cities. TAKE ACTION HERE.



This alert was prepared by Hand Arendall Harrison Sale's Local Government Practice Group. For further information or assistance, please contact one of the attornevs below.

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