

116TH CONGRESS
2D SESSION

S. 3954

To require States to make distributions from the State’s Coronavirus Relief Fund payment to local governments that did not receive a direct payment from the Fund.

IN THE SENATE OF THE UNITED STATES

JUNE 11, 2020

Mr. MANCHIN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To require States to make distributions from the State’s Coronavirus Relief Fund payment to local governments that did not receive a direct payment from the 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 “Local Government Re-
5 lief Act”.

1 **SEC. 2. DEADLINE FOR DISTRIBUTION OF THE LOCAL GOV-**
2 **ERNMENT SHARE OF THE STATE CORONAVI-**
3 **RUS RELIEF FUND PAYMENT.**

4 (a) PASS-THROUGH REQUIREMENT.—Subsection (b)
5 of section 601 of the Social Security Act, as added by sec-
6 tion 5001(a) of the Coronavirus Aid, Relief, and Economic
7 Security Act (Public Law 116–136) is amended by adding
8 at the end the following new paragraph:

9 “(3) PASS-THROUGH REQUIREMENT.—

10 “(A) IN GENERAL.—Not later than June
11 30, 2020, each State (other than the District of
12 Columbia) shall make, from the amount paid to
13 the State under this section, a distribution to
14 each unit of local government in the State that
15 is not a large unit of local government that re-
16 ceived a direct payment under this section in
17 accordance with paragraph (2).

18 “(B) AMOUNT TO BE DISTRIBUTED.—The
19 total amount of the distributions made by a
20 State to units of local government under this
21 paragraph shall not be less than 45 percent of
22 the amount paid to the State under this section
23 for fiscal year 2020 (after the application of
24 paragraph (2)).

25 “(C) MANNER OF DISTRIBUTION.—
26 Amounts distributed by a State under this

paragraph shall be distributed from the amount
paid to the State under this section—

“(i) upon receipt and on a pass-
through-basis; and

“(ii) without requiring any application
from a unit of local government.

“(D) REPORT.—If a State is unable to
make distributions to units of local government
in accordance with the requirements of this
paragraph, the State shall submit a detailed re-
port to the Secretary explaining why the State
is unable to meet such requirements. The Sec-
retary shall publish each such report in the
Federal Register.”.

(b) CONFORMING AMENDMENTS.—Section 601 of
such Act is further amended—

(1) in subsection (b)—

(A) in paragraphs (1) and (2), by inserting
“large” before “unit of local government” each
place it appears; and

(B) in paragraph (2)—

(i) in the paragraph heading, by in-
serting “LARGE” before “UNITS”; and

(ii) by adding at the end the fol-
lowing: “For purposes of this section, the

1 term ‘large unit of local government’
 2 means a unit of local government, as de-
 3 fined in subsection (g)(2), with a popu-
 4 lation that exceeds 500,000.”;

5 (2) in subsection (c)(5)—

6 (A) in the paragraph heading, by inserting
 7 “LARGE” before “UNIT”; and

8 (B) by inserting “large” before “unit of
 9 local government” each place it appears;

10 (3) in subsection (d), by inserting “or distribu-
 11 tion” after “payment”;

12 (4) in subsection (e)—

13 (A) by inserting “direct” before “pay-
 14 ment”; and

15 (B) by inserting “large” before “unit of
 16 local government” each place it appears; and

17 (5) in subsection (g)(2)—

18 (A) in the paragraph heading, by striking
 19 “LOCAL” and inserting “UNIT OF LOCAL”; and

20 (B) by striking “with a population that ex-
 21 ceeds 500,000.”

22 (c) EFFECTIVE DATE.—The amendments made by
 23 this section shall take effect as if included in the enact-
 24 ment of section 601 of the Social Security Act, as added

- 1 by section 5001(a) of the Coronavirus Aid, Relief, and
- 2 Economic Security Act (Public Law 116–136).

