

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

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

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

21 “(A) \$161,333,333,333; and

22 “(B) the quotient of—

23 “(i) the lost revenue amount deter-  
24 mined for the State under paragraph (4);  
25 and

1                   “(ii) the sum of the lost revenue  
2                   amounts determined for all States under  
3                   paragraph (4).

4                   “(4) LOST REVENUE AMOUNT.—

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

9                   “(i) the amount of revenue from taxes  
10                  or other sources for the State for calendar  
11                  year 2019; exceeds

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

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

22                  “(i) Such amount shall exclude any  
23                  funds received by the State in calendar  
24                  year 2020 under this title.

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

6                       “(I) enacting a tax cut, rebate,  
7                       deduction, or credit; or

8                       “(II) reducing, delaying, or elimi-  
9                       nating any fee or other source of rev-  
10                      enue.

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

21                       “(I) is declared during the period  
22                       beginning on January 1, 2020, and  
23                       ending on the date of enactment of  
24                       this section ; and

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

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

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

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

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

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

1 under paragraph (2) of that subsection with respect  
2 to such State payment:

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

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

15 “(ii) the quotient of—

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

18 “(II) the total population of—

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

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

24 “(B) DIRECT PAYMENTS TO COUNTIES  
25 AND MUNICIPALITIES BASED ON LOST REV-



1           ENUE.—From the amount reserved by a State  
2           under paragraph (2) of subsection (b) with re-  
3           spect to the payment received by the State  
4           under subparagraph (C) of paragraph (1) of  
5           that subsection, the State shall pay to each unit  
6           of local government in the State that is a coun-  
7           ty or a municipality an amount equal to the  
8           product of—

9                   “(i) 50 percent of the amount so re-  
10                   served; and

11                   “(ii) the quotient of—

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

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

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

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

24                   “(C) LOST REVENUE AMOUNT.—For pur-  
25                   poses of subparagraph (B), with respect to a

1 county or municipality, the lost revenue amount  
2 shall be determined in the same manner as the  
3 lost revenue amount for a State is determined  
4 under paragraph (4).

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

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

19 “(B) the term ‘Indian Tribe’ has the  
20 meaning given that term in section 102 of such  
21 Act (25 U.S.C. 5130), except that such term  
22 shall not include an Alaska Native regional or  
23 village corporation established pursuant to the  
24 Alaska Native Claims Settlement Act (43  
25 U.S.C. 1601 et seq.).

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

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

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

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

18 “(d) USE OF FUNDS.—

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

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

24 “(i) are necessary expenditures in-  
25 curred due to the public health emergency

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

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

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

18 “(B) for expenditures in calendar year  
19 2020, 2021, or 2022 that the State, Tribal gov-  
20 ernment, or unit of local government would oth-  
21 erwise be unable to make because of decreased  
22 or delayed revenues.

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

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

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

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

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

18       “(f) APPLICATION OF OTHER PROVISIONS.—

19           “(1) DEFINITIONS.—

20           “(A) IN GENERAL.—Except as otherwise  
21 provided in this paragraph and subsection  
22 (c)(7), the terms used in this section have the  
23 meanings given those terms in subsection (g) of  
24 section 601.

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

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

10          “(2) OVERSIGHT.—The amounts paid under  
11 this section—

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

22           “(B) shall be distributed in accordance  
23 with all applicable Federal laws.

24          “(3) IG FUNDING AUTHORITY.—Notwith-  
25 standing section 601(f)(3), the Inspector General of

1 the Department of the Treasury may use the  
2 amounts appropriated under that section to carry  
3 out oversight and recoupment activities under this  
4 section in addition to the oversight and recoupment  
5 activities carried out under section 601(f).”.

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

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

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

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

1           (4) by striking “under this section to cover  
2           only” and inserting “under this section—  
3           “(1) to cover only—”; and  
4           (5) by adding at the end the following new  
5           paragraph:  
6           “(2) for expenditures in calendar year 2020,  
7           2021, or 2022 that the State, Tribal government, or  
8           unit of local government would otherwise be unable  
9           to make because of decreased or delayed revenues.”.