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

A BILL

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “State Municipal Assistance for Response and Transition Act” or the “SMART Act”.

SEC. 2. CORONAVIRUS LOCAL COMMUNITY STABILIZATION FUND.

(a) IN GENERAL.—Title VI of the Social Security Act, as added by section 5001(a) of the Coronavirus Aid,
Relief, and Economic Security Act (Public Law 116–136), is amended by adding at the end the following:

“SEC. 602. CORONAVIRUS LOCAL COMMUNITY STABILIZATION FUND.

“(a) Appropriation.—

“(1) In general.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for making payments to States under this section, $500,000,000,000 for fiscal year 2020, to remain available until expended.

“(2) Reservation of funds.—Of the amount appropriated under paragraph (1), the Secretary shall reserve $16,000,000,000 of such amount for making payments to Tribal governments under subsection (c)(7).

“(b) Authority to Make Payments.—

“(1) In general.—The Secretary shall pay each State the following amounts:

“(A) Not later than 30 days after the date of enactment of this section, the relative population proportion amount determined for the State under subsection (c)(1).

“(B) Not later than 30 days after the date of enactment of this section, the relative in-
ected population proportion amount determined for the State under subsection (c)(2).

“(C) As soon as practicable after December 31, 2020, the relative lost revenue proportion amount determined for the State under subsection (c)(3).

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

“(c) PAYMENT AMOUNTS.—

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

“(A) $161,333,333,333; and

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

“(i) the population of the State; and

“(ii) the total population of all States. 

“(2) RELATIVE INFECTED POPULATION PROPORTION AMOUNT.—Subject to subparagraph (5), the relative infected population proportion amount
determined under this paragraph for a State is the product of—

“(A) $161,333,333,333; and

“(B) the quotient of—

“(i) the population of the State infected with Coronavirus Disease 2019 (COVID–19) on June 1, 2020; and

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

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

“(A) $161,333,333,333; and

“(B) the quotient of—

“(i) the lost revenue amount determined for the State under paragraph (4); and

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

“(4) LOST REVENUE AMOUNT.—

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

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

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

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

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

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

“(I) enacting a tax cut, rebate,
deduction, or credit; or
“(II) reducing, delaying, or eliminating any fee or other source of revenue.

“(iii) Such amount shall be reduced by the amount of any expenditures made by the State during calendar year 2020 necessary to meet the non-Federal share contribution requirement of any public assistance that is provided under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) on the basis of a disaster or emergency declaration under such Act that—

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

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

“(5) COMBINED MINIMUM PAYMENT AMOUNT FOR RELATIVE POPULATION AND RELATIVE INFECTED POPULATION AMOUNTS.—

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

“(B) Pro Rata Adjustments.—The Secretary shall adjust on a pro rata basis the amounts determined under paragraph (2) for each State described in subparagraph (C) to the extent necessary to comply with the requirement of subparagraph (A).

“(C) States Described.—The States described in this subparagraph are each of the 50 States, the District of Columbia, and Puerto Rico.

“(6) Direct Payments to Units of Local Government.—Not later than 15 days after a State receives a payment under paragraph (1) of subsection (b), the State shall make the following payments from the amount reserved by the State under paragraph (2) of that subsection with respect to such State payment:

“(A) Direct Payments to Counties and Municipalities Based on Population.—From each of the amounts reserved by a State under paragraph (2) of subsection (b) with respect to the payments received by the State under subparagraphs (A) and (B) of
paragraph (1) of that subsection, the State shall pay to each unit of local government in the State that is a county or a municipality an amount equal to the product of—

“(i) 50 percent of the amount so reserved; and

“(ii) the quotient of—

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

“(II) the total population of—

“(aa) in the case of a county, all counties in the State; or

“(bb) in the case of a municipality, all municipalities in the State.

“(B) Direct payments to counties and municipalities based on lost revenue.—From the amount reserved by a State under paragraph (2) of subsection (b) with respect to the payment received by the State under subparagraph (C) of paragraph (1) of that subsection, the State shall pay to each unit of local government in the State that is a county or a municipality an amount equal to the product of—
“(i) 50 percent of the amount so re-
served; and

“(ii) the quotient of—

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

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

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

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

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

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

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

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

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

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

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

“(C) Where Indian Tribal population cannot be readily determined by the most recent year for which data are available from the Bureau of the Census, the Department may consider tribal population data from the Department of Interior or Department of Housing and Urban Development.

“(d) USE OF FUNDS.—

“(1) IN GENERAL.—Amounts paid or distributed under this subsection shall be used—

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

“(i) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19) (including expenditures necessary to meet the non-Federal share contribution requirement of any public assistance that is provided under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) on the basis of a disaster or emergency dec-
laration under such Act that is declared in calendar year 2020;

“(ii) were not accounted for in the budget most recently approved as of March 27, 2020, for the State or local government; and

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

“(B) for expenditures in calendar year 2020, 2021, or 2022 that the State, Tribal government, or unit of local government would otherwise be unable to make because of decreased or delayed revenues.

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

“(e) FAIR AND EQUITABLE BUDGETING REQUIREMENT.—As a condition for receiving amounts paid under this subsection, each State, to the extent allowable by State law, shall agree—

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

“(2) to primarily use economic conditions, budgetary shortfall, and revenue loss for each respective county and municipality, as compared to 2019 levels, to determine whether any such cut is balanced and appropriate; and

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

“(f) Application of Other Provisions.—

“(1) Definitions.—

“(A) In general.—Except as otherwise provided in this paragraph and subsection (c)(7), the terms used in this section have the meanings given those terms in subsection (g) of section 601.

“(B) County.—The term ‘county’ means a county, parish, or other equivalent county division (as defined by the Bureau of the Census).

“(C) Unit of Local Government.—In this section, the term ‘unit of local government’ means a county, municipality, town, township,
village, parish, borough, or other unit of general
government below the State level.

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

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

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

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

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

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

(2) in subparagraph (A) (as so redesignated), by inserting ``(including expenditures necessary to meet the non-Federal share contribution requirement of any public assistance that is provided under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) on the basis of a disaster or emergency declaration under such Act that is declared in calendar year 2020)'' before the semicolon;

(3) in subparagraph (C) (as so redesignated), by striking the period at the end and inserting ‘‘; and’’;

(4) by striking ‘‘under this section to cover only’’ and inserting ‘‘under this section—

‘‘(1) to cover only—’’; and

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

‘‘(2) for expenditures in calendar year 2020, 2021, or 2022 that the State, Tribal government, or
unit of local government would otherwise be unable to make because of decreased or delayed revenues.”.