

116TH CONGRESS
2D SESSION

H. R. 6328

To authorize Federal reserve banks to purchase COVID–19 related municipal
issuances, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 23, 2020

Ms. TLAIB (for herself, Ms. PRESSLEY, Ms. OCASIO-CORTEZ, Mr. SAN NICOLAS, Ms. NORTON, Ms. JAYAPAL, Mr. RASKIN, Mr. LEVIN of Michigan, Mr. GARCÍA of Illinois, Mrs. CAROLYN B. MALONEY of New York, Ms. OMAR, Mr. GREEN of Texas, Mr. CARSON of Indiana, Mrs. WATSON COLEMAN, Mr. POCAN, Ms. VELÁZQUEZ, Mr. NEGUSE, Mr. SOTO, Mr. DANNY K. DAVIS of Illinois, Mr. ROUDA, Mr. NADLER, Ms. ADAMS, Ms. GARCIA of Texas, and Ms. HAALAND) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To authorize Federal reserve banks to purchase COVID–
19 related municipal issuances, and for other purposes.

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 “Emergency Relief for
5 State, Territorial and Local Governments Act of 2020”.

1 **SEC. 2. PURCHASE OF COVID-19 RELATED MUNICIPAL**
2 **ISSUANCES.**

3 (a) AMENDMENT TO AUTHORITY TO BUY AND SELL
4 BONDS AND NOTES.—Section 14(b) of the Federal Re-
5 serve Act (12 U.S.C. 355) is amended—

6 (1) in paragraph (1)—

7 (A) by inserting “and during unusual and
8 exigent circumstances,” before “bonds issued”;
9 and

10 (B) by striking “of 1933” and all that fol-
11 lows through “assured revenues”; and

12 (2) by adding at the end the following:

13 “(3) STATE DEFINED.—In this section, the
14 term ‘State’ means each of the several States, the
15 District of Columbia, each territory and possession
16 of the United States, and each federally recognized
17 Indian Tribe.”.

18 (b) FEDERAL RESERVE AUTHORIZATION TO PUR-
19 CHASE COVID-19 RELATED MUNICIPAL ISSUANCES.—

20 (1) AUTHORITY.—Within seven days after the
21 date of enactment of this subsection, the Federal
22 Reserve Board of Governors shall establish a facility
23 to buy and sell, at home or abroad, bills, notes,
24 bonds, and warrants that are issued by any State or
25 political subdivision thereof between March 1, 2020,
26 and July 1, 2021, in order to fund a public health

1 or public service response to the COVID–19 pan-
2 demic. The Board of Governors of the Federal Re-
3 serve System may extend the authority under this
4 subsection if the Board determines necessary.

5 (2) REQUIRED PURCHASES.—The Board of
6 Governors of the Federal Reserve System shall es-
7 tablish policies and procedures to require the direct
8 placement of bills, notes, bonds, and warrants de-
9 scribed in paragraph (1) with the Board at an inter-
10 est cost that does not exceed the Federal funds rate
11 target for short-term interbank lending, within seven
12 days after the date of enactment of this section.

13 (3) REVIEW OF SPENDING.—During the 3-year
14 period beginning on the date on which all purchases
15 under this section are completed, relevant Federal
16 authorities shall review such purchases to determine
17 if funds were diverted from legitimate public health
18 or public services responses to the COVID–19 pan-
19 demic to make such purchase. The relevant Federal
20 authorities shall take appropriate action based on
21 findings of such review.

22 (4) DEFINITIONS.—In this subsection:

23 (A) PUBLIC HEALTH OR PUBLIC SERVICE
24 RESPONSE TO THE COVID–19 PANDEMIC.—The

term “public health or public service response to the COVID–19 pandemic” means—

(i) the purchase, manufacture, or delivery of medical equipment, facilities, or services—

(I) to treat or quarantine COVID–19 patients;

(II) to protect first responders interacting with such patients; or

(III) to test for COVID–19 infections and track social contacts of patients who have tested positive for the virus;

(ii) the purchase, manufacture, or delivery of basic living supports for individuals who are not COVID–19 patients during periods of voluntary or mandatory social distancing or quarantine designed to prevent the spread of COVID–19; or

(iii) the maintenance and delivery of basic public services to communities responding to the public health or economic effects of the COVID–19 pandemic.

(B) STATE.—The term “State” means each of the several States, the District of Co-

1 lumbia, each territory and possession of the
2 United States, and each federally recognized In-
3 dian Tribe.

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