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(Original Signature of Member)

116TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

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

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IN THE HOUSE OF REPRESENTATIVES

Ms. TLAIIB introduced the following bill; which was referred to the Committee  
on \_\_\_\_\_

\_\_\_\_\_  
**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

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

3 (i) the purchase, manufacture, or de-  
4 livery of medical equipment, facilities, or  
5 services—

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

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

10 (III) to test for COVID–19 infec-  
11 tions and track social contacts of pa-  
12 tients who have tested positive for the  
13 virus;

14 (ii) the purchase, manufacture, or de-  
15 livery of basic living supports for individ-  
16 uals who are not COVID–19 patients dur-  
17 ing periods of voluntary or mandatory so-  
18 cial distancing or quarantine designed to  
19 prevent the spread of COVID–19; or

20 (iii) the maintenance and delivery of  
21 basic public services to communities re-  
22 sponding to the public health or economic  
23 effects of the COVID–19 pandemic.

24 (B) STATE.—The term “State” means  
25 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.