

NEWS ALERT

MUNICIPAL LAW GROUP



CARES Act Assistance for Municipalities

By Kari L. Olson and Bridget M. D'Angelo | April 15, 2020

The Coronavirus Aid, Relief and Economic Security Act ("CARES Act") became law on March 27, 2020. The CARES Act authorizes the provision of debt guarantees, direct loans as well as the direct purchase by the Federal Reserve of state and local government obligations.

Cities and towns are facing higher direct costs responding to the COVID-19 pandemic, increased indirect costs due to changes in the economy and lower revenues as a result of the economic disruption. While the full implications of the pandemic remain unknown, the sudden decline in economic output has significantly altered the financial outlook for state and local governments.

The CARES Act provides the Treasury Secretary with authority to make loans, guarantees and investments in an amount not to exceed \$500 billion. \$25 billion is allocated to air carriers, \$4 billion to cargo air carriers, and \$17 billion to businesses critical to maintaining national security. The remaining \$454 billion is for eligible businesses, states and municipalities.

Section 4003(b)(4) of the CARES Act Loan Program

What is it?

The CARES Act sets aside \$454 billion for financial programs to assist eligible businesses, states, and municipalities ("4003(b)(4) programs"). Very few particulars regarding the 4003(b)(4) programs have been provided other than that the Secretary of the Treasury shall provide the opportunity for the Federal Reserve to implement a program for direct loans to states and municipalities on favorable terms, provided that such loans will not be subject to forgiveness.

Who gets it?

States and municipalities (as well as certain private businesses) will qualify for these direct loans. Under the CARES Act, a municipality includes (i) any political subdivision of a state; and (ii) any instrumentality of a municipality, a state, or a political subdivision of a state. Guidance on how to apply for a loan is forthcoming from the Secretary of the Treasury.

Coronavirus Relief Fund

What is it?

The most relevant piece of the CARES Act for states and municipalities is the \$150 billion Coronavirus Relief Fund, which was established through Section 5001 of the CARES Act. This money is to be distributed to states, tribal governments, and local governments with populations exceeding 500,000 to cover necessary expenditures related to COVID-19 that were not accounted for in that government's budget and are incurred between March 1 and December 30, 2020 (the "Allowed Purposes").

Distribution amounts are calculated in the following manner:

- \$3 billion is reserved for payments to the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa, and \$8 billion is reserved for payments to tribal governments.
- There is a minimum payment of \$1.25 billion to each state and payments to the states from the remaining \$139 billion will be in amounts equal to the population of that state in relation to the total population of all states (excluding the locations covered above).
- Eligible local governments will receive an amount equal to the product of (a) 45% of the payment determined for its state and (b) the amount equal to the quotient of (i) the population of the local government and (ii) the total population of its state. In order to receive a direct payment, the unit of local government must provide the Treasury Secretary with a certification signed by the Chief Executive of the local unit stating that the “local government’s proposed uses of the funds are consistent” with the Allowed Purposes.
- If a local government receives a direct payment, then the Treasury Secretary will reduce the amount determined for its state by the amount to be paid to that local government.

The Department of the Treasury’s Inspector General has oversight and monitoring responsibility over these funds. If the Inspector General determines that the funds have not been used for the Allowed Purposes, that amount will be “booked as a debt of such entity owed to the Federal Government” pursuant to Section 5001 of the CARES Act.

Who gets it?

The Secretary of the Treasury will pay to each state, local, and tribal government their allocation directly on or before April 26, 2020. This table uses the latest available population data, circa July 2019, but the Treasury Department may utilize different figures.

Estimated Shares of CARES Act Funding

| State | Jurisdiction | Amount |
|-------------------|-------------------------|-------------------------|
| Alabama | Total Allocation | \$1,901,376,504 |
| | State Share | \$1,786,453,683 |
| | Jefferson County | \$ 114,922,821 |
| Alaska | Total Allocation | \$1,250,000,000 |
| | State Share | \$1,250,000,000 |
| Arizona | Total Allocation | \$2,822,569,714 |
| | State Share | \$1,857,099,389 |
| | Maricopa County | \$ 782,717,225 |
| | Pima County | \$ 182,753,100 |
| Arkansas | Total Allocation | \$1,250,000,000 |
| | State Share | \$1,250,000,000 |
| California | Total Allocation | \$15,322,206,367 |
| | State Share | \$9,526,137,621 |
| | Alameda County | \$ 291,651,561 |
| | Contra Costa County | \$ 201,293,497 |
| | Fresno County | \$ 174,345,905 |
| | Kern County | \$ 157,087,754 |
| | Los Angeles County | \$1,751,852,108 |
| | Orange County | \$ 554,167,091 |
| | Riverside County | \$ 431,117,152 |
| | Sacramento County | \$ 270,838,440 |

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|--------------------|-------------------------|------------------------|
| | San Bernardino County | \$ 380,430,899 |
| | San Diego County | \$ 582,547,875 |
| | San Francisco County | \$ 153,832,754 |
| | San Joaquin County | \$ 132,996,947 |
| | San Mateo County | \$ 133,769,122 |
| | Santa Clara County | \$ 336,415,539 |
| | Stanislaus County | \$ 96,091,702 |
| | Ventura County | \$ 147,630,401 |
| Colorado | Total Allocation | \$2,233,145,460 |
| | State Share | \$1,673,950,246 |
| | Adams County | \$ 90,291,404 |
| | Arapahoe County | \$ 114,576,782 |
| | Denver County | \$ 126,900,343 |
| | El Paso County | \$ 125,712,328 |
| | Jefferson County | \$ 101,714,356 |
| Connecticut | Total Allocation | \$1,382,561,117 |
| | State Share | \$ 913,181,962 |
| | Fairfield County | \$ 164,614,059 |
| | Hartford County | \$ 155,607,621 |
| | New Haven County | \$ 149,157,475 |
| Delaware | Total Allocation | \$1,250,000,000 |
| | State Share | \$ 927,233,331 |
| | New Castle County | \$ 322,766,669 |
| Florida | Total Allocation | \$8,328,721,940 |
| | State Share | \$5,856,159,554 |
| | Brevard County | \$ 105,040,554 |
| | Broward County | \$ 340,765,195 |
| | Duval County | \$ 167,130,913 |
| | Hillsborough County | \$ 256,862,512 |
| | Lee County | \$ 134,467,831 |
| | Miami-Dade County | \$ 474,113,590 |
| | Orange County | \$ 243,161,252 |
| | Palm Beach County | \$ 261,190,530 |
| | Pasco County | \$ 96,665,293 |
| | Pinellas County | \$ 170,139,515 |
| | Polk County | \$ 126,475,603 |
| | Volusia County | \$ 96,549,598 |
| Georgia | Total Allocation | \$4,117,266,353 |
| | State Share | \$3,503,081,996 |
| | Cobb County | \$ 132,646,720 |
| | DeKalb County | \$ 132,499,439 |
| | Fulton County | \$ 185,659,967 |

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|----------------------|-------------------------|------------------------|
| | Gwinnett County | \$ 163,378,230 |
| Hawaii | Total Allocation | \$1,250,000,000 |
| | State Share | \$ 862,823,979 |
| | Honolulu County | \$ 387,176,021 |
| Idaho | Total Allocation | \$1,250,000,000 |
| | State Share | \$1,250,000,000 |
| Illinois | Total Allocation | \$4,913,928,948 |
| | State Share | \$3,519,156,999 |
| | Cook County | \$ 898,729,990 |
| | DuPage County | \$ 161,052,283 |
| | Kane County | \$ 92,905,805 |
| | Lake County | \$ 121,547,296 |
| | Will County | \$ 120,536,576 |
| Indiana | Total Allocation | \$2,610,646,554 |
| | State Share | \$2,442,324,311 |
| | Marion County | \$ 168,322,243 |
| Iowa | Total Allocation | \$1,250,000,000 |
| | State Share | \$1,250,000,000 |
| Kansas | Total Allocation | \$1,250,000,000 |
| | State Share | \$1,034,052,049 |
| | Johnson County | \$ 116,311,034 |
| | Sedgwick County | \$ 99,636,917 |
| Kentucky | Total Allocation | \$1,732,491,935 |
| | State Share | \$1,598,690,705 |
| | Jefferson County | \$ 133,801,230 |
| Louisiana | Total Allocation | \$1,802,727,754 |
| | State Share | \$1,802,727,754 |
| Maine | Total Allocation | \$1,250,000,000 |
| | State Share | \$1,250,000,000 |
| Maryland | Total Allocation | \$2,344,417,741 |
| | State Share | \$1,653,367,701 |
| | Anne Arundel County | \$ 101,077,945 |
| | Baltimore city | \$ 103,565,657 |
| | Baltimore County | \$ 144,378,367 |
| | Montgomery County | \$ 183,347,980 |
| | Prince George's County | \$ 158,680,092 |
| Massachusetts | Total Allocation | \$2,672,802,119 |
| | State Share | \$1,655,720,328 |
| | Bristol County | \$ 98,631,939 |
| | Essex County | \$ 137,688,629 |
| | Middlesex County | \$ 281,245,960 |
| | Norfolk County | \$ 123,334,204 |

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|----------------------|-------------------------|------------------------|
| | Plymouth County | \$ 90,951,199 |
| | Suffolk County | \$ 140,284,009 |
| | Worcester County | \$ 144,945,850 |
| Michigan | Total Allocation | \$3,872,742,971 |
| | State Share | \$3,080,874,821 |
| | Kent County | \$ 114,640,476 |
| | Macomb County | \$ 152,510,546 |
| | Oakland County | \$ 219,451,908 |
| | Wayne County | \$ 305,265,221 |
| Minnesota | Total Allocation | \$2,186,958,839 |
| | State Share | \$1,870,033,167 |
| | Hennepin County | \$ 220,893,126 |
| | Ramsey County | \$ 96,032,546 |
| Mississippi | Total Allocation | \$1,250,000,000 |
| | State Share | \$1,250,000,000 |
| Missouri | Total Allocation | \$2,379,996,144 |
| | State Share | \$2,083,827,229 |
| | Jackson County | \$ 122,677,376 |
| | St. Louis County | \$ 173,491,539 |
| Montana | Total Allocation | \$1,250,000,000 |
| | State Share | \$1,250,000,000 |
| Nebraska | Total Allocation | \$1,250,000,000 |
| | State Share | \$1,083,865,742 |
| | Douglas County | \$ 166,134,258 |
| Nevada | Total Allocation | \$1,250,000,000 |
| | State Share | \$ 836,051,100 |
| | Clark County | \$ 413,948,900 |
| New Hampshire | Total Allocation | \$1,250,000,000 |
| | State Share | \$1,250,000,000 |
| New Jersey | Total Allocation | \$3,444,370,826 |
| | State Share | \$2,393,995,126 |
| | Bergen County | \$ 162,671,843 |
| | Camden County | \$ 88,380,599 |
| | Essex County | \$ 139,423,361 |
| | Hudson County | \$ 117,334,101 |
| | Middlesex County | \$ 143,975,615 |
| | Monmouth County | \$ 107,981,449 |
| | Ocean County | \$ 105,955,647 |
| | Passaic County | \$ 87,570,033 |
| | Union County | \$ 97,083,053 |
| New Mexico | Total Allocation | \$1,250,000,000 |
| | State Share | \$1,067,817,494 |

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|-----------------------|-------------------------|------------------------|
| | Bernalillo County | \$ 182,182,506 |
| New York | Total Allocation | \$7,543,778,952 |
| | State Share | \$5,219,021,994 |
| | Bronx County | \$ 247,481,068 |
| | Erie County | \$ 160,316,055 |
| | Kings County | \$ 446,710,197 |
| | Monroe County | \$ 129,440,929 |
| | Nassau County | \$ 236,787,014 |
| | New York County | \$ 284,213,729 |
| | Queens County | \$ 393,304,493 |
| | Suffolk County | \$ 257,670,983 |
| | Westchester County | \$ 168,832,489 |
| North Carolina | Total Allocation | \$4,067,110,763 |
| | State Share | \$3,585,606,805 |
| | Guilford County | \$ 93,738,358 |
| | Mecklenburg County | \$ 193,760,212 |
| | Wake County | \$ 194,005,388 |
| North Dakota | Total Allocation | \$1,250,000,000 |
| | State Share | \$1,250,000,000 |
| Ohio | Total Allocation | \$4,532,845,506 |
| | State Share | \$3,757,703,970 |
| | Cuyahoga County | \$ 215,523,501 |
| | Franklin County | \$ 229,777,586 |
| | Hamilton County | \$ 142,651,313 |
| | Montgomery County | \$ 92,780,861 |
| | Summit County | \$ 94,408,274 |
| Oklahoma | Total Allocation | \$1,534,449,890 |
| | State Share | \$1,281,597,801 |
| | Oklahoma County | \$ 139,154,452 |
| | Tulsa County | \$ 113,697,637 |
| Oregon | Total Allocation | \$1,635,570,763 |
| | State Share | \$1,388,745,825 |
| | Multnomah County | \$ 141,845,459 |
| | Washington County | \$ 104,979,478 |
| Pennsylvania | Total Allocation | \$4,964,406,011 |
| | State Share | \$3,935,406,029 |
| | Allegheny County | \$ 212,203,236 |
| | Bucks County | \$ 109,634,863 |
| | Chester County | \$ 91,612,041 |
| | Delaware County | \$ 98,898,929 |
| | Lancaster County | \$ 95,230,357 |
| | Montgomery County | \$ 144,996,980 |

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|-----------------------|-------------------------|-------------------------|
| | Philadelphia County | \$ 276,423,576 |
| Rhode Island | Total Allocation | \$1,250,000,000 |
| | State Share | \$ 910,740,118 |
| | Providence County | \$ 339,259,882 |
| South Carolina | Total Allocation | \$1,996,588,712 |
| | State Share | \$1,905,229,176 |
| | Greenville County | \$ 91,359,536 |
| South Dakota | Total Allocation | \$1,250,000,000 |
| | State Share | \$1,250,000,000 |
| Tennessee | Total Allocation | \$2,648,244,148 |
| | State Share | \$2,363,576,014 |
| | Davidson County | \$ 121,130,060 |
| | Shelby County | \$ 163,538,075 |
| Texas | Total Allocation | \$11,244,137,605 |
| | State Share | \$8,038,804,878 |
| | Bexar County | \$ 349,625,748 |
| | Collin County | \$ 180,563,264 |
| | Dallas County | \$ 459,904,876 |
| | Denton County | \$ 154,820,090 |
| | El Paso County | \$ 146,449,366 |
| | Fort Bend County | \$ 141,641,815 |
| | Harris County | \$ 822,488,328 |
| | Hidalgo County | \$ 151,591,789 |
| | Montgomery County | \$ 105,991,420 |
| | Tarrant County | \$ 366,894,718 |
| | Travis County | \$ 222,308,518 |
| | Williamson County | \$ 103,052,793 |
| Utah | Total Allocation | \$1,250,000,000 |
| | State Share | \$ 936,475,736 |
| | Salt Lake County | \$ 202,499,486 |
| | Utah County | \$ 111,024,778 |
| Vermont | Total Allocation | \$1,250,000,000 |
| | State Share | \$1,250,000,000 |
| Virginia | Total Allocation | \$3,309,937,372 |
| | State Share | \$3,109,689,845 |
| | Fairfax County | \$ 200,247,527 |
| Washington | Total Allocation | \$2,952,933,375 |
| | State Share | \$2,167,209,642 |
| | King County | \$ 393,116,728 |
| | Pierce County | \$ 157,921,528 |
| | Snohomish County | \$ 143,455,771 |

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| West Virginia | Spokane County | \$ 91,229,706 | Kari L. Olson, Chair 860-240-6085 kolson@murthalaw.com |
| | Total Allocation | \$1,250,000,000 | |
| Wisconsin | State Share | \$1,250,000,000 | Nan M. Birdwhistell 203-772-7757 nbirdwhistell@murthalaw.com |
| | Total Allocation | \$2,257,846,523 | |
| | State Share | \$1,997,414,905 | |
| Wyoming | Dane County | \$ 95,399,799 | Patricia L. Boye-Williams 860-240-6168 pboyewilliams@murthalaw.com |
| | Milwaukee County | \$ 165,031,819 | |
| | Total Allocation | \$1,250,000,000 | |
| | State Share | \$1,250,000,000 | Matthew K. Curtin 860-240-6065 mcurtin@murthalaw.com |

Please contact your Murtha Cullina municipal attorney with further questions. Note that this is part of a series of [COVID-19 alerts](#) providing clients with practical advice on navigating these difficult times.

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