

108TH CONGRESS
1ST SESSION

S. 1838

To require payments to State and local governments for infrastructure and social services needs in the same amount as the amount of relief and reconstruction funds provided to Iraq.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 6, 2003

Mr. DASCHLE (for Mr. KERRY) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To require payments to State and local governments for infrastructure and social services needs in the same amount as the amount of relief and reconstruction funds provided to Iraq.

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. FINDINGS.**

4 The Congress finds the following:

5 (1) The President has proposed a multibillion
6 dollar reconstruction project for Iraq.

7 (2) The President's plan includes resources to
8 rebuild potable water and wastewater treatment fa-

1 cilities; schools and health facilities; ports and air-
2 ports; the electric power system, roads, and bridges;
3 railroad infrastructure; solid waste management
4 services; irrigation systems; and selected local gov-
5 ernment buildings.

6 (3) State and local governments in the United
7 States have their own unmet infrastructure and so-
8 cial services needs.

9 (4) State and local governments represent a
10 significant segment of the national economy whose
11 economic health is essential to national economic
12 prosperity.

13 (5) Present national economic problems have
14 imposed considerable hardships on State and local
15 government budgets.

16 (6) Those governments, because of their own
17 fiscal difficulties, are being forced to take budget-re-
18 lated actions which tend to undermine Federal Gov-
19 ernment efforts to stimulate the economy.

20 (7) Efforts to stimulate the economy through
21 reductions in Federal Government tax obligations or
22 increased spending on Federal programs are weak-
23 ened when State and local governments are forced to
24 increase taxes or cut spending.

1 (8) Efforts by the Federal Government to stim-
2 ulate the economic recovery will be substantially en-
3 hanced by a program of emergency Federal Govern-
4 ment assistance to State and local governments to
5 help prevent those governments from taking budget-
6 related actions which undermine the Federal Gov-
7 ernment efforts to stimulate economic recovery.

8 (9) State and local governments deserve, at a
9 minimum, the same level of Federal investment to
10 address infrastructure and social services shortfalls
11 as the amount of relief and reconstruction funds
12 provided to Iraq.

13 **SEC. 2. FINANCIAL ASSISTANCE AUTHORIZED.**

14 (a) PAYMENTS TO STATE AND LOCAL GOVERN-
15 MENTS.—The Secretary of the Treasury shall, in accord-
16 ance with the provisions of this Act, make payments to
17 States and local governments to coordinate budget-related
18 actions by such governments with Federal Government ef-
19 forts to stimulate economic recovery.

20 (b) AUTHORIZATION OF APPROPRIATION.—There is
21 authorized to be appropriated to the Secretary of the
22 Treasury for fiscal year 2003 for payments under this Act
23 an amount equal to at least the total amount appropriated
24 for fiscal year 2003 under the heading “Iraq Relief and
25 Reconstruction Fund” in the Emergency Wartime Supple-

1 mental Appropriations Act, 2003, and any amounts appro-
 2 priated for such Fund in any subsequent appropriation
 3 Act. Such amounts shall be in addition to, and not in lieu
 4 of, other amounts appropriated for payments to States
 5 and local governments.

6 (c) AVAILABILITY TO LOCAL GOVERNMENTS.—Not
 7 less than one-third of the amount appropriated pursuant
 8 to the authorization in subsection (b) shall be made avail-
 9 able to local governments under the applicable laws of a
 10 given State.

11 **SEC. 3. ALLOCATION.**

12 The Secretary of the Treasury shall establish a for-
 13 mula, within 30 days after the date of the enactment of
 14 this Act, for determining the allocation of payments under
 15 this Act. The formula shall give priority weight to the fol-
 16 lowing factors:

- 17 (1) The unemployment rate in relation to the
 18 national average unemployment rate.
- 19 (2) The duration of the unemployment rate
 20 above such average.
- 21 (3) Median income.
- 22 (4) Population.
- 23 (5) The poverty rate.

1 **SEC. 4. USE OF FUNDS BY STATE AND LOCAL GOVERN-**
2 **MENTS.**

3 (a) IN GENERAL.—Funds received under this Act
4 may be used only for priority expenditures. For purposes
5 of this Act, the term “priority expenditures” means only—

6 (1) ordinary and necessary maintenance and
7 operating expenses for—

8 (A) primary, secondary, or higher edu-
9 cation, including school building renovation;

10 (B) public safety;

11 (C) public health, including hospitals and
12 public health laboratories;

13 (D) social services for the disadvantaged or
14 aged;

15 (E) roads, transportation, and water infra-
16 structure; and

17 (F) housing; and

18 (2) ordinary and necessary capital expenditures
19 authorized by law.

20 (b) CERTIFICATIONS BY STATE AND LOCAL GOVERN-
21 MENTS.—The Secretary of the Treasury may accept a cer-
22 tification by the chief executive officer of a State or local
23 government that the State or local government has used
24 the funds received by it under this Act only for priority
25 expenditures, unless the Secretary determines that such
26 certification is not sufficiently reliable to enable the Sec-

- 1 retary to carry out this Act. The Secretary shall prescribe
- 2 by rule the time and manner in which the certification
- 3 must be filed.

