

116TH CONGRESS
2D SESSION

H. R. 7717

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

IN THE HOUSE OF REPRESENTATIVES

JULY 21, 2020

Ms. TLAIB (for herself, Mr. NEGUSE, Mr. GARCÍA of Illinois, Mr. GREEN of Texas, Mr. HASTINGS, Ms. KAPTUR, Mrs. CAROLYN B. MALONEY of New York, Mr. NADLER, Ms. NORTON, Ms. OCASIO-CORTEZ, Ms. PRESSLEY, Mr. SAN NICOLAS, Mr. SMITH of Washington, Mr. TAKANO, Ms. WATERS, and Mr. HUFFMAN) 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 “Uplifting Our Local
5 Communities Act”.

1 **SEC. 2. EMERGENCY RELIEF FOR STATE, TERRITORIAL,**
2 **TRIBAL, AND LOCAL GOVERNMENTS.**

3 (a) PURCHASE OF COVID–19 RELATED MUNICIPAL
4 ISSUANCES.—

5 (1) AMENDMENT TO AUTHORITY TO BUY AND
6 SELL BONDS AND NOTES.—Section 14(b) of the
7 Federal Reserve Act (12 U.S.C. 355) is amended by
8 adding at the end the following new paragraph:

9 “(3) UNUSUAL AND EXIGENT CIRCUMSTANCES.—
10 Under unusual and exigent circumstances, to buy any
11 bills, notes, revenue bonds, and warrants issued by any
12 State, county, district, political subdivision, municipality,
13 or entity that is a combination of any of the several States,
14 the District of Columbia, or any of the territories and pos-
15 sessions of the United States. In this paragraph, the term
16 ‘State’ means each of the several States, the District of
17 Columbia, each territory and possession of the United
18 States, and each federally recognized Indian Tribe.”.

19 (2) FEDERAL RESERVE AUTHORIZATION TO
20 PURCHASE COVID–19 RELATED MUNICIPAL
21 ISSUANCES.—

22 (A) AUTHORITY.—Within 7 days after the
23 date of the enactment of this subsection, the
24 Board of Governors of the Federal Reserve Sys-
25 tem shall modify the Municipal Liquidity Facil-
26 ity (established on April 9, 2020, pursuant to

1 section 13(3) of the Federal Reserve Act (12
2 U.S.C. 343(3))) to—

3 (i) ensure such facility is operational
4 until December 31, 2021;

5 (ii) allow for the purchase of bills,
6 notes, bonds, and warrants with maximum
7 maturity of 10 years from the date of such
8 purchase;

9 (iii) ensure that any purchases made
10 are at an interest rate equal to the dis-
11 count window primary credit interest rate
12 most recently published on the Federal Re-
13 serve Statistical Release on selected inter-
14 est rates (daily or weekly), commonly re-
15 ferred to as the “H.15 release” or the
16 “Federal funds rate”;

17 (iv) ensure that an eligible issuer does
18 not need to attest to an inability to secure
19 credit elsewhere; and

20 (v) include in the list of eligible
21 issuers for such purchases—

22 (I) any of the territories and pos-
23 sessions of the United States;

1 (II) a political subdivision of a
2 State with a population of more than
3 50,000 residents; and

4 (III) an entity that is a combina-
5 tion of any of the several States, the
6 District of Columbia, or any of the
7 territories and possessions of the
8 United States.

9 (b) ESTABLISHMENT OF A LONG-TERM MUNICIPAL
10 BORROWING FACILITY.—

11 (1) IN GENERAL.—Of amounts appropriated
12 under section 4027(a) of the CARES Act (Public
13 Law 116–136) that remain unobligated or unex-
14 pended, the Board of Governors and the Secretary
15 of the Treasury shall provide support for long-term
16 municipal borrowing markets in addition to support
17 provided for such markets through the Municipal Li-
18 quidity Facility.

19 (2) GOAL.—The purpose of support for long-
20 term municipal borrowing markets shall be to ensure
21 that each State, county, district, political subdivi-
22 sion, or municipality in the United States can access
23 capital for long-term capital expenditures, infra-
24 structure projects, and other long-term general obli-
25 gations at low and stable prices for the entire dura-

1 tion of any economic disruption caused by the
2 COVID–19 pandemic.

3 (c) APPLICABILITY OF THE LIMITATION ON LOAN
4 FORGIVENESS.—Section 4003(d)(3) of the CARES Act
5 (Public Law 116–136) is amended by striking “, State,
6 or municipality”.

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