



AMERICAN RESCUE PLAN ACT – MONTANA SPECIFICS

LOCAL GOVERNMENT SUPPORT

- \$133 million to Montana municipalities for new Coronavirus Relief Funds
 - Within 60 days of enactment of the ARP, 50% of the funds will come directly from Treasury to counties and entitlement communities; second 50% 1 year later
 - Within 30 days states receive these allocations from Treasury, non-entitlement communities must receive their direct funds from the state; state can request one extension from Treasury.
 - Missoula, Great Falls, and Billings will get allocation based on modified CDBG formula
 - Remaining municipalities will receive allocation based on population
 - Any amounts that are not distributed to local governments by the state shall be returned to the U.S. Treasury, with a penalty that comes from the state portion of the State and Local Coronavirus Recovery Fund.
- Eligible use of funds:
 - Make infrastructure investments in water, sewer, or broadband infrastructure;
 - Provide premium pay up to an additional \$13 an hour in wages for workers performing an essential function in the pandemic, or provide grants to eligible local employers for premium pay to essential workers.
 - Respond to the public health emergency with respect to the COVID19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality. No more restrictive than eligible costs under CARES Act.
 - Backfill reduced or lost revenues (relative to revenues collected in the most recent full fiscal year prior to the emergency) to continue providing government services.
- May transfer the funds directly to nonprofit organizations or a special-purpose unit of local government.
- Funds must be spent by December 31, 2024
- Funds cannot be used for pensions or for tax cuts.
- Local governments are responsible directly to federal Treasury for eligible use of funds, including providing “periodic reports” providing a detailed accounting of the use of funds.

STATE SUPPORT

- \$910 million directly from Treasury to the state for the same four eligible use categories as above. Legislature is allocating those dollars through HB 632.
- Additional \$119 million from State Capital Project Fund line item in ARPA - each state receiving minimum of \$100 million “to carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency.”
- States cannot use local funds to either directly or indirectly offset any reduction in the net tax revenue that results from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax.