Resolution to Spend ARPA Funds on Lost Revenue Replacement Category Sunrise Township Resolution No. 2022-04-21

WHEREAS, the American Rescue Plan Act, H.R. 1319 (ARPA) was signed into law by President Biden in March of 2021,

WHEREAS, ARPA modifies provisions of Title VI of the Social Security Act (42 U.S.C. § 801 et seq.),

WHEREAS, 42 U.S.C. § 803 (b)(2) appropriates $19,530,000,000 to non-entitlement units of government (NEUs) to mitigate the fiscal effects stemming from the public health emergency with respect to COVID-19,

WHEREAS, the appropriations under 42 U.S.C. § 803 (b)(2) are titled State and Local Fiscal Recovery Funds (SLFRF),

WHEREAS, A non-entitlement unit of government is defined as "… a 'city', as that term is defined in section 102(a)(5) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(5))), that is not a metropolitan city." 42 U.S.C. 5302(a)(5) defines a city as: "… any unit of general local government which is classified as a municipality by the United States Bureau of the Census …", which covers all townships in Minnesota,

WHEREAS, **___Sunrise_____** Township (the Town) is a non-entitlement unit of government and has received its portion of the SLFRF,

WHEREAS, 42 U.S.C. § 803 (c) permits NEUs to spend ARPA funds under one of four major categories, which include (A) responses to the COVID-19 Pandemic and its negative economic impacts, (B) providing premium pay to essential employees, (C) for government services to the extent of the reduction in revenue, and (D) investments in water, sewer, and broadband,

WHEREAS, 86 Fed. Reg. 26,801 (May 17, 2021) indicates that any amount attributable under lost revenue replacement can be used towards government services, but cannot be used as debt service or to create or replenish savings (rainy-day fund),

WHEREAS, in January of 2022 the Department of Treasury (Treasury) released the completed Interim Final Rule titled SLFRF Final Rule (Final Rule), establishing the completed guidance for the SLFRF,

WHEREAS, page 240 of the Final Rule indicates that the Treasury allows lost revenue replacement to be calculated through a formula as provided by the Treasury, or by a $10,000,000 "standard allowance,"

WHEREAS, the Town will use $227,252.38 as allotted to them by the standard allowance,

WHEREAS, the Town seeks to pay for government services with funds out of lost revenue replacement,