Ohio Senate Proposes Legislation to Distribute Coronavirus Relief Funding to Local Governments

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Relief appears to be on the way for cities and townships across Ohio. On Wednesday, May 5, S.B. 310 was introduced to provide for the distribution of some federal coronavirus relief funding to local governments. The bill is subject to change as it makes its way through the legislative process. However, as drafted, the bill would send payments from the State's Coronavirus Relief Fund to each county, which in turn would distribute payments to each municipality and township not receiving direct payments under section 5001 of the CARES Act. You can read the text of the proposed bill here.

Calculating the Amounts Paid

Each county would receive funds using a pro rata formula based on their undivided local government fund allocation from 2019. The counties would then pay eligible subdivisions an amount based on their respective allocations of the 2019 undivided local government fund.

Use of Funds by Local Governments

Local governments must create a new "local coronavirus relief fund" to deposit the money described by S.B. 310. Consistent with the requirements of the CARES Act, the funds shall be used only to cover costs that:

- are necessary expenditures incurred due to the public health emergency with respect to the coronavirus (COVID-19);
- were not accounted for in the budget most recently approved as of the date of enactment of the CARES Act for the local government; and
- were incurred during the period that begins March 1, 2020, and ends on December 30, 2020.

Return and Redistribution of Unencumbered Funds

The bill would require local subdivisions to pay the unencumbered balance of money in their local coronavirus relief fund to the county treasurer "no later than October 15, 2020." The county treasurer would then distribute money by October 22 based on the following formula:

- Twenty-five percent to the county; and
- The remaining balance to each qualifying municipality or township using a pro rata formula based on each locality's population.

The money would then be used in the same manner described above. By December 28, 2020, each subdivision would then pay the balance of unexpended local coronavirus relief funds to the state treasury.

For more information, please contact Charles Galvin, Scott Phillips or any attorney in Frost Brown Todd's Government Services practice group.

To provide guidance and support to clients as this global public-health crisis unfolds, Frost Brown Todd has created a Coronavirus Response Team. Our attorneys are on hand to answer your questions and provide guidance on how to proactively prepare for and manage any coronavirus-related threats to your business operations and workforce.