

RECEIVED

By Opinion Committee at 9:53 am, Sep 10, 2021

July 20, 2021

The Honorable Ken Paxton
Attorney General of Texas
Attention: Opinion Committee
P.O. Box 12548
Austin, Texas 78711-2548

RQ-0431-KP
FILE# ML-49016-21
I.D.# 49016

Via e-mail: opinion.committee@oag.texas.gov

RE: Request for Attorney General Opinion

Dear General Paxton:

In response to the economic hardships brought on by the sudden onset of the COVID-19 pandemic, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act to provide immediate financial assistance to communities across the country. In particular, the CARES Act included \$150 billion in direct assistance to state, local and tribal governments through the Coronavirus Relief Fund (CRF).

In order to quickly distribute the funds, the U.S. Treasury provided direct funding to cities and counties with populations greater than 500,000, with guidance for those direct recipients to then distribute funding to the local governments within their jurisdiction. In order to ensure equitable treatment among local governments of all sizes, the Treasury established a 45% benchmark per capita allocation formula for distribution of the funds. The Treasury then distributed the remaining CRF allocation to each state, with a requirement that 45% be used to assist counties and cities with populations less than 500,000 that were not in direct recipient counties. Texas then established a funding methodology of \$55 per capita for the jurisdictions below the 500,000 population threshold.

Of the twelve counties that received direct CRF funding in Texas, all except for one followed the state's \$55 per capita methodology for distributing funds to the local governments within their jurisdiction. Montgomery County distributed funding based on parameters established by the county, and not the methodology established by the Treasury or the State. Therefore, the jurisdictions within Montgomery County did not receive their equitable share of CRF funding and were also ineligible from receiving the state's allocation directed for jurisdictions with under a 500,000 population.

In your opinion, which interpretation for CRF distribution is correct: the Treasury, state, or county, and how should a jurisdiction with a population under 500,000, but within a county with a population over 500,000 receive their allotted equitable share of CRF funds?

Thank you in advance for your expedited response concerning this issue.



Respectfully submitted,
Senator Brandon Creighton