

U.S. DEPARTMENT OF THE TREASURY

AN INTRODUCTION TO THE

Local Assistance and Tribal Consistency Fund

September 2022



About this Presentation

The U.S. Department of the Treasury is providing this presentation for informational purposes.

The descriptions provided in this document are non-exhaustive, do not describe all terms and conditions associated with the use of the Local Assistance and Tribal Consistency Fund, and do not describe all requirements that apply to this funding.

Any award from the Local Assistance and Tribal Consistency Fund will be subject to the terms and conditions of the agreement entered into by Treasury and the respective recipient government, which incorporate the provisions of the guidance that implements this program.



Overview

The Local Assistance and Tribal Consistency Fund delivers \$2 billion to eligible Tribal governments and eligible revenue sharing counties as a general revenue enhancement program.

Key details of this funding:

- The American Rescue Plan appropriates \$750 million to allocate and pay to eligible revenue sharing counties for each of fiscal years 2022 and 2023 (\$1.5 billion total).
- Recipients have broad discretion on uses of funds. Specifically, the statute permits recipients to use funds for any governmental purpose other than a lobbying activity.



Use of Funds

The Local Assistance and Tribal Consistency Fund provides flexible support for eligible revenue sharing counties and eligible Tribal governments to meet their respective government's needs. Specifically, the statute directs that recipients may use funds for any governmental purpose other than a lobbying activity.

Eligible Use of Funds:

- Recipients may treat these funds in a similar manner to how they treat funds generated from their own revenue.
- Programs, services, and capital expenditures that are traditionally undertaken by a government are considered to fulfill a “governmental purpose.”
- For example, recipients could use funds for long-term economic development activities, including affordable housing development, workforce development and other programs to strengthen local communities undergoing economic transitions.
- Funds may not be used for lobbying activities.
- All funds are available to recipients until expended or returned to Treasury.



Program Guidance

Treasury released **Guidance for the Local Assistance and Tribal Consistency Fund**, which helps clarify how recipients may use LATCF funds [\[link here\]](#).

Key Guidance Provisions:

- **Davis-Bacon/NEPA:** Federal Davis-Bacon Act prevailing wage rate requirements do not apply to projects funded solely by the LATCF except for LATCF-funded construction projects undertaken by the District of Columbia. Further, generally, receipt of LATCF funding does not trigger the National Environmental Policy Act (NEPA), although recipients must ensure compliance with all applicable federal environmental laws.
- **Transferring Funds:** Recipients may transfer to and pool LATCF funds with other entities for projects, provided that recipients are able to track use of the funds in line with the reporting and compliance requirements of the LATCF. As an example, neighboring counties may pool funds in order to invest in a regional infrastructure project.
- **Match:** Treasury has determined that funds available under the LATCF program constitute revenue sharing. Therefore, funds under the program may be used to meet the non-federal cost-share or matching requirements of other federal programs, provided that the costs are eligible costs under the other federal program and are compliant with the statutory, regulatory, and program requirements of the LATCF and the other federal program.



Build America, Buy America Act Applicability

The Build America, Buy America Act establishes domestic content procurement preference requirements for federal financial assistance programs for infrastructure, and these requirements apply to the LATCF.

Revenue Sharing County Implications:

- As a general matter, the domestic content procurement preference requirements in the Build America, Buy America Act apply to infrastructure projects under the LATCF.
- These requirements do not apply to non-infrastructure projects or to infrastructure projects undertaken in response to the COVID-19 public health emergency.
- Treasury has received approval of a six-month waiver from the Build America, Buy America Act requirements for awards made within the waiver period to eligible revenue sharing counties, defined to include the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the U.S. Virgin Islands, under the LATCF program.
- Recipients who sign their award agreements within the waiver period will not be subject to the Build America, Buy America Act requirements.



Eligibility Criteria

Statutory Requirements for Determining Eligibility

The statute defines eligible revenue sharing counties to include any county, parish, or borough:

- That is independent of any other unit of local government; and
- That, as determined by the Secretary, is the principal provider of government services for the area within its jurisdiction; and
- For which, as determined by the Secretary, there is a negative revenue impact due to implementation of a Federal program or changes to such program.

The statute also includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the United States Virgin Islands as eligible revenue sharing counties.



Eligibility Criteria

Statutory Requirements for Determining Eligibility

- To determine which units of government constitute “a county, parish, or borough” that is “independent of any other unit of local government” and “the principal provider of government services,” Treasury referred to the Census Bureau’s census of governments and its classification of the functional status of counties and equivalents.
- To determine counties for which there is “a negative impact due to implementation of a federal program or changes to such program,” Treasury considered counties’ participation in revenue sharing programs that have been inconsistently funded by Congress including the Payment in Lieu of Taxes (PILT) program administered by the Department of the Interior and the Refuge Revenue Sharing program administered by the Fish and Wildlife Service (FWS).
- There are 2,086 governments eligible for LATCF as eligible revenue sharing counties, including the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the U.S. Virgin Islands.



Allocations Methodology

Treasury accounted for the economic conditions in each eligible revenue sharing county in the allocation formula

Economic Indicators

- By statute, Treasury was required to develop an allocation formula “taking into account the economic conditions of each eligible revenue sharing county, using measurements of poverty rates, household income, land values, and unemployment rates, as well as other economic indicators, over the 20-year period ending September 30, 2021.”
- Treasury incorporated childhood poverty rates and population as “other economic indicators.”
- For each fiscal year, Treasury sets a minimum allocation of \$50,000, a maximum allocation of \$6,000,000, a per capita maximum of \$300 for each eligible revenue sharing county.
- Treasury expects that recipients will receive payment in two tranches, one payment for each of fiscal years 2022 and 2023.



Reporting Requirements

Eligible revenue sharing counties are required to submit an annual **Obligation and Expenditure Report** and comply with certification and compliance guidelines

Reporting, Certification, and Compliance Requirements

- Each recipient is responsible for submitting an annual Obligation and Expenditure Report to Treasury by March 31st of each year (beginning in 2023) that accounts for the period covering January 1st to December 31st of the preceding calendar year.
- Reports are required until the recipient has submitted its final report accounting for expenditure of all LATCF funds received.
- Generally, the Obligation and Expenditure report will include reporting on:
 - Current period obligations, cumulative obligations, current period expenditures and cumulative expenditures for each government purpose reporting category.
 - A certification with every annual report that no LATCF funds were used for lobbying activities, in addition to completing annual certification and representations in SAM.gov.
- Recipients may reference the Reporting Guidance posted on the LATCF website for additional information.



Accepting LATCF Funds

In order to access funds, eligible revenue sharing counties will need to complete a submission in the LATCF application portal and provide the necessary information as requested.

1 Navigate to the LATCF website ([link here](#))

2 Click on the LATCF Application Portal and follow instructions for completion (*the submitter for the SLFRF submission should log in to the portal*)

3 Eligible revenue sharing county recipients' submission data should be pre-loaded



Timeline and Key Dates

Key dates for LATCF eligible revenue sharing counties include:

- **September 29, 2022:** *Treasury portal opens for submissions; payments made on a rolling basis*
- **January 31, 2023:** *Deadline for submissions for eligible revenue sharing counties*
- **March 31, 2023:** *First Obligation and Expenditure Report due*
- **Date TBD, 2023:** *Treasury will begin making second tranche payments*



Thank you.



For More Information:

Please visit Treasury's website at treasury.gov/LATCF.

To Request Funding:

Please visit treasury.gov/LATCF.

For Media Inquiries:

Please contact the U.S. Treasury Press Office at (202) 622-2960.

For General Inquiries:

Please email LATCF@treasury.gov.

