

HOUSE RESOLUTION NO. 267

Reps. Hoitenga, Steven Johnson, Hornberger, Reilly, Rendon, Meerman, Crawford, Maddock, Markkanen and Berman offered the following resolution:

1 A resolution to memorialize the Congress of the United States
2 to not enact a federal bailout for states.

3 Whereas, The COVID-19 Pandemic has led to a significant
4 economic disruption in the United States. In order to limit the
5 spread of the COVID-19, several governors, including Michigan
6 Governor Gretchen Whitmer, have ordered nonessential businesses and
7 schools to close and mandated that people stay at home, except for
8 certain essential activities; and

9 Whereas, These decisions have directly led to a severe decline
10 in tax revenue in these states. As businesses are closed and
11 employees have been laid off, the projected revenue from income,



1 sales, and other state taxes has fallen off dramatically; and

2 Whereas, Some states have declared that they will need a
3 bailout from the federal government to replace this lost revenue
4 and avoid cutting services. These governors argue that without
5 unrestricted funding from the federal government the states will
6 need to make cuts to essential services and face an even steeper
7 climb out of the economic downturn caused by the Pandemic; and

8 Whereas, Congress has already provided significant economic
9 support to the states in previous COVID-19 related stimulus bills.
10 It has properly limited that support to helping states pay for
11 costs related directly to responding to the Pandemic. The
12 Coronavirus Aid, Relief, and Economic Security (CARES) Act included
13 a \$150 billion Coronavirus Relief Fund for the states along with
14 additional funding for education, elections security, and other
15 state functions; and

16 Whereas, States like Michigan have practiced responsible
17 fiscal policy and are prepared to address revenue shortfalls
18 without a federal bailout. They have avoided taking on significant
19 debt, accumulated rainy day funds, and addressed long-term
20 obligations. Some state rainy day funds alone could cover a
21 significant portion of annual expenditures; and

22 Whereas, Other states have non-existent rainy day funds and
23 have accumulated significant debt through pension obligations and
24 other sources. They have avoided making the tough budgetary
25 decisions, failed to plan properly for the inevitable economic
26 downturns, and demonstrated themselves to be poor stewards of
27 taxpayer money; and

28 Whereas, It should not be incumbent on the federal government
29 and American taxpayers to bail out states for their fiscal



1 irresponsibility. Bailing out states that have failed to budget
2 responsibly will incentivize this type of behavior to continue in
3 the future. By telling states that the federal government will not
4 step in to save them in times of economic stress, there will be no
5 reason for these states to continue to be irresponsible with
6 taxpayer money in the future; now, therefore, be it

7 Resolved by the House of Representatives, That we memorialize
8 the Congress of the United States to not enact a federal bailout
9 for states; and be it further

10 Resolved, That copies of this resolution be transmitted to
11 Speaker of the United States House of Representatives, the
12 President of the United States Senate, and the members of the
13 Michigan congressional delegation.

