

Statement of Senator Susan M. Collins
Introduction of the SMART Act
May 20, 2020

Madam President, I am pleased to be a cosponsor of the SMART Act, and I want to commend Senator Menendez and Senator Cassidy for their tremendous leadership. Our bill would help offset the collapse of state and local revenues resulting from the COVID-19 pandemic.

This coronavirus has already claimed the lives of more than 90,000 Americans. As the virus damages our health and deprives us of our loved ones, it has also devastated our communities and our economy. As of last week, nearly 20 percent of Maine's total civilian workforce had filed for unemployment.

The tourism sector has been particularly hard hit, and this is so important to my state. But the fact is that no industrial sector has been immune from this disease. Restaurants and hotels in Southern Maine face uncertainty, not knowing when or even if they will ever reopen. As a result of having to cancel non-essential surgeries, many hospitals are struggling to stay open. Lobstermen and fishermen have lost major markets. Potato farmers may be unable to sell more than \$22 million worth of their 2019 crop. The motorcoach industry has been devastated. In short, working families and communities across the state of Maine have been hit hard.

Moody's forecasts that Maine may face one of the worst impacts in the entire country in terms of lost revenues. Eighty-five percent of Maine's state revenues are from income and sales taxes – they have plummeted. Gas tax revenues have tanked. These projected shortfalls threaten vital state and local services.

One in six Mainers is employed in the public sector. These are the individuals who keep our communities and our citizens safe – the police officers, the firefighters, the EMS personnel. They provide health care and education. They maintain our roads and bridges. When I visited the Orono Fire Department recently to deliver some much-needed masks, the Town Manager told me that the decline in excise taxes has been devastating for this town. Maine communities tell me that they will have no choice but to either increase property taxes at the worst possible time for working families or eliminate first responder jobs and slash education funding if they do not receive help.

The SMART Act would help avoid the worst of these consequences by providing \$500 billion in federal relief to state, local, and tribal governments. Unlike the CARES Act where only big cities were eligible for assistance, under our bill every county and every community would be eligible for funding. Maine would receive at least \$2 billion, including about \$330 million for counties and \$330 million for communities. And, the \$1.25 billion that we already appropriated for assistance to state governments under CARES would be made much more flexible, so it could be used to offset these dramatic revenue shortfalls.

The fallout from the coronavirus is unprecedented. Congress has a tremendous responsibility to help mitigate the impact of this crisis on our states and our local communities, and on the families they serve. We must not wait; we should act now.

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