

Practice Update

Outlook for the Next Phase of Coronavirus Mitigation Legislation

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As soon as this week, Speaker of the House Nancy Pelosi (D-CA) may introduce the next coronavirus mitigation bill. This will start a process that will run for weeks and will be very controversial. It will also result in a massive bill with numerous provisions impacting a wide swath of businesses in positive and negative ways.

The Speaker is not attempting to write a finished product with the bill she plans to introduce. Instead, she is only talking to House Democrats and is developing a Democratic “wish list” bill. She fully understands that there will be significant changes in the bill before it gets enacted. The fact that she is going through this process also indicates that she knows the process will drag on for several weeks. If she had hopes for quick enactment of the bill, she would have been more inclusive. It also indicates that, despite any rhetoric to the contrary, she knows there is no real hurry to get the bill done. All the quick fixes are done. They can take the time needed to fill any gaps in coverage in the previous bills. This also indicates that this will probably be the last bill on this effort this year. Congress will pass the regular Fiscal Year 2021 appropriations bills, but they will mostly fund the agencies for their annual responsibilities and will not include much in the way of coronavirus assistance.

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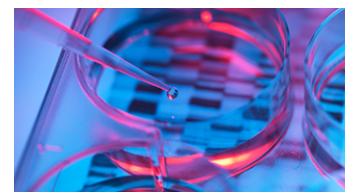
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The Speaker's understanding is shared by almost all leaders in Washington D.C. It is also shared by the lobbying community. The two big take-aways are:

1. This bill will be massive, with extensive provisions; and
2. It likely will be the last coronavirus-related bill passed this year.

These two factors indicate this process will result in a frenetic effort to have projects included as everyone tries to get on the “last train leaving the station.” Almost every industry and interest group is asking for money. From states and local governments, to transit agencies, to hospitals, to restaurants, to the federal court system, to the auto industry, to hotels, to educational institutions—the list is seemingly endless. Some, like states and local governments, will be successful. Others will not.

Beyond the money here is a partial list of provisions that are being discussed on the bill:

- Stop collecting payroll taxes
- Another round of direct payments
- Extended unemployment benefits at the higher (\$600 a week) level
- Election assistance for the States
- State payments forbidden to be used for pension liabilities
- Block funding to sanctuary cities
- Liability protections
- Cap unemployment benefits so they don't exceed a recipient's last paycheck
- Relief for undocumented immigrants
- Amend the Payroll Protection Program (PPP) to allow businesses to spend up to 50 percent of the loans on non-payroll expenses

This is not an exhaustive list, but rather provides a sense as to the range of issues in play as Congress contemplates this legislation.

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