

County looking at ways to spend ARP funds

July 27, 2021



With funds from the federal American Rescue Plan rolling into the county bank account, the Del Norte Board of Supervisors are trying to better their understanding of how the money can be used.

In May, the county received the first of two \$2.7 million payments from the U.S. Treasury earmarked for COVID-19 recovery. In a presentation to the board of supervisors Monday, Greg Burns with the Thorn Run Partners lobbying firm explained the five, fairly broad categories local governments can use the money toward, which are: supporting the public health response, addressing negative economic impacts, providing bonuses to essential workers, investing in water and sewer and investing in broadband.

During the presentation, Burns highlighted a few items the board might be interested in using the funds toward, such as upgrading the aging county jail.

“There are some opportunities to potentially use this funding to help improve the situation for you all locally in the jail,” said Burns.

According to the presentation, the county must dedicate the ARP funds by 2024, and all of the funds must be spent by 2026. A total of \$130 billion was given to local governments through the rescue plan.

During the presentation, Burns said the county would not likely be able to use the \$5.7 million in ARP funds to recoup its losses from decreased tourism throughout the pandemic, which it would have normally garnered through transient occupancy taxes. Transient occupancy taxes allow local governments to take a cut from hotel, motel and other lodging sales. Del Norte County currently has a 10% transient occupancy tax. Burns explained the county had not lost enough revenue from decreased tourism to be eligible to recoup lost TOT funds.

Supervisor Chris Howard took issue with this point.

“Even though our TOT was up for a 12-month period, during our second quarter: April, May, June, we had no income for those periods of time with TOT,” said Howard. “I don’t see how it could escape the definition set forth by the treasury.”

Neal Lopez, county administrative officer, explained the federal treasury calculates loss over an entire year, rather than just quarters.

To that, Howard said, “Well, that’s pretty screwed.”

Going forward, the board will work with county employees and other partners to identify a plan on how to spend the funds, which could include an upgrade to the jail.