

# *Automatic BOOST to Communities Act*

Congresswoman Rashida Tlaib (MI-13)

## **I. Summary:**

In response to the Coronavirus crisis, the Automatic BOOST to Communities Act would immediately provide a U.S. Debit Card pre-loaded with \$2000 to every person in America. Each card would be recharged with \$1,000 monthly until one year after the end of the Coronavirus crisis.

## **II. Guaranteeing Universality**

**“Every person” includes:**

- a. Dependents, so a couple with two children would receive 4 x \$2000 = \$8000 in total.
- b. Non-citizens, including undocumented people, permanent residents, and temporary visitors whose stay exceeds three months.
- c. Individuals who do not have a bank account, social security number, or permanent address.
- d. People living in unincorporated territories or protectorates and Americans living abroad.
- e. To ensure that this program is as universal and comprehensive as possible, the U.S. Treasury will develop its list of eligible individuals in coordination with the Internal Revenue Service, the Social Security Administration, the Federal Election Commission, and every other relevant federal, state, and local government agency, including state-level Departments of Motor Vehicles (DMVs).

## **III. Distributing the Money**

- a. The pre-paid cards would be distributed as U.S. Debit Cards and would be administered by the U.S. Treasury’s Bureau of the Fiscal Service.
- b. These pre-paid digital cash cards could be used to withdraw physical currency at regular ATMs or FDIC-insured banks or credit unions or make payments at Point-of-Sale terminals, as well as online. In addition, these cards could be topped-up with additional funds as needed, during and after the crisis.
- c. All cardholder and interchange fees associated with use of distributed cards would be waived for the duration of the Coronavirus crisis.
- d. The program would establish a common database of recipients identified by name and/or, where available, Employer Identification Numbers (EINs). Identifying information would not be shared with any other federal, state, or local agency, or any
- e. Any individual who receives, activates, and uses more than the maximum number of cards authorized for themselves and their dependents, either as a result of fraud or administrative error, would have excess funds reclaimed in the future via appropriate mechanisms (i.e., tax refund deduction).

**Automatic Boost to Communities Act Policy Proposal  
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- f. Cards would be distributed in three ways:
1. *Direct Mail*: All individuals with an active address on file with any government agency would have a card sent to them to that address via USPS.
  2. *In Person Pick-Up*: Individuals who do not have a permanent address, or who otherwise cannot or do not receive their U.S. Debit Card by mail—including undocumented people, permanent residents, and temporary visitors whose stay exceeds three months—could also obtain one directly from any FDIC-insured bank or credit union, or temporary card distribution stations that would be placed at local post offices and U.S. embassies overseas.
  3. *At-Risk Outreach*: A dedicated Emergency Responder Corps would perform outreach to at-risk populations, including people who are elderly, homeless, physically disabled, or live in remote areas, to ensure they receive their U.S. Debit Card and to simultaneously perform a general wellness check in case they need additional targeted assistance.

#### **IV. Funding the Program**

- a. This Automatic BOOST to Communities Act would be a money-financed fiscal program for which no additional U.S. debt would be issued.
- b. Instead, the program would be funded directly from the Treasury, using its legal authority to create money via coin seigniorage, which is a statutory delegation of Congress’s constitutional power of the purse.
- c. *The mechanics of this funding approach would be as follows:*
  - The Treasury Secretary would direct the U.S. Mint to issue two \$1 trillion platinum coins, under the legal authority provided by [31 U.S.C. § 5112\(k\)](#).
  - Congress would direct the Federal Reserve to purchase the newly issued coins at full face value.
  - The Federal Reserve would complete the purchase by crediting the U.S. Mint’s account at the Fed with \$2 trillion in reserves.
  - The Fed would retain ownership over the two \$1 trillion coins permanently in order to ensure its own balance sheet remains fully capitalized by the Treasury.
  - The Treasury Secretary would “sweep” the newly created reserve funds from the Mint’s account into the regular Treasury General Account.
  - The Treasury would make the funds available to the Bureau of the Fiscal Service to disperse to every person in America in the form of pre-paid U.S. Debit Cards.
- d. This approach would preserve the historical separation between fiscal and monetary policy and avoid financial entanglement between the Treasury and the Federal Reserve which would eventually undermine the independence of the Fed.

In the long term, the card infrastructure should be converted into a permanent, Treasury-administered digital public currency wallet system, to serve as a privacy-respecting “eCash” complement to universal Fed Accounts and/or Postal Bank Accounts for All. This proposal should be accompanied by progressive tax reform to ensure that emergency relief provisioning does not exacerbate income or wealth inequality in the long-term.