2021 POLICY BRIEF

NATIONAL ASSOCIATION of COUNTIES NACo

Support County Priorities in Any New Infrastructure Package

ACTION NEEDED

Urge your Members of Congress to support county transportation and infrastructure priorities in any new comprehensive package.

BACKGROUND

Counties play a critical role in the nation's transportation and infrastructure system, owning 45 percent of all public roads and nearly 40 percent of the National Bridge Inventory. Simultaneously, counties are tasked with directly supporting 78 percent of public transit systems and 34 percent of public airports that connect residents, communities and businesses with the national and global economies. Each year, counties invest roughly $134 billion in constructing infrastructure and maintaining and operating public works.

County responsibilities go far beyond roads and bridges. We also support other essential community infrastructure, such as schools, hospitals, jails, courthouses, parks, broadband deployment, and water purification and sewage systems. Annually, counties provide services for the 10.6 million individuals who cycle in and out of local jails each year. Additionally, we support over 900 hospitals that are providing critical services during the ongoing COVID-19 pandemic.

In the 117th Congress, there is renewed bipartisan interest in both Congress and the White House to pass a comprehensive infrastructure package. Even without bipartisan support, however, Congressional Democrats could move a large-scale infrastructure bill based on the Biden Administration's priorities and enact it with the signature of the President without any Republican support.

In July 2020, Democrats in the U.S. House of Representatives advanced their vision for a comprehensive infrastructure package with passage of H.R. 2, the *Moving Forward Act*, a $1.5 trillion package that rolled a five-year surface transportation reauthorization in with funding for ports, airports, clean energy, clean water and clean drinking water, Brownfields restoration projects and broadband deployment. The bill also contained authorizations for public housing, schools and hospitals. View NACo's comprehensive analysis of H.R. 2, the *Moving Forward Act*, here.

The significant role that counties play in the national transportation infrastructure network should be adequately addressed in any related legislation.

Counties invest $134 billion annually in the construction of infrastructure and the maintenance and operation of public works.

Daily, county officials are tasked with the responsibility of supporting core public functions, including public safety and jails, hospitals and community health centers, public schools, parks and local water systems.

A strong intergovernmental partnership is key to strengthening our nation's infrastructure.

As of February 2021, the U.S. Senate's only major action on infrastructure to date remains the favorable passage of a $287 billion, five-year highway title, S. 2302, the *America's Transportation Infrastructure Act*, by the U.S. Senate Environment and Public Works (EPW) Committee in July 2019 (view NACo's analysis here). This inaction looks to change soon, however, with newly appointed Chairman Tom Carper (D-Del.) vowing to rewrite much of the bipartisan bill on an ambitious timeline that would see new legislation on highways, roads and bridges passed by EPW by Memorial Day. Several other Senate committees of jurisdiction would be needed to produce an infrastructure package like the House's, including three additional committees just to develop a full surface transportation reauthorization.

America's counties should be recognized as major owners of transportation infrastructure in any potential package presented by Congress or the administration. Furthermore, federal funding levels and local authority should adequately reflect the county role in the nation's transportation system. NACo believes that a user-pay approach should continue to be the cornerstone of federal transportation funding and that federal policy should provide counties the flexibility to use additional financing tools. Such policies include:

- **New, dedicated federal funding must be part of any new infrastructure package**: While counties support public-private partnerships (P3s) federal financing opportunities for infrastructure, it is important that any new legislation provide funding to parts of the country where private investment is not appropriate. Further, while counties appreciate federal financing programs for infrastructure, these cannot come in lieu of dedicated and consistent federal funding streams.
- **Preserving the tax-exempt status of municipal bonds**: Tax-exempt bonds are a critical tool for counties that facilitate the budgeting and financing of long-range investments in the infrastructure and facilities necessary to meet public demand. Without the tax-exemption, counties would pay more to raise capital, a cost that would ultimately be borne by the taxpayers through reduced spending on the roads and bridges for which counties are responsible, decreased economic development, higher taxes and higher user fees.
- **Promoting long-term solvency of the Highway Trust Fund**: The Highway Trust Fund must regain solvency in order for all levels of government to maintain our nation's infrastructure network. To accomplish this, counties support an "all tools in the toolbox" approach, including increased user fees and alternative collection methods.
- **Providing an environment for innovative financing**: Counties support innovative financing mechanisms including, but not limited to, qualified tax credit bonds; infrastructure banks; the Transportation Infrastructure Finance and Innovation Act (TIFIA); and public-private partnerships that would allow local governments and transportation authorities, such as counties, to leverage federal financing for capital projects.
- **Streamlining the federal permit process**: Counties support commonsense reforms to the federal permitting process in order to reduce local costs and delays that can result from duplicative reviews and procedures.

KEY TALKING POINTS

Counties should be recognized as major owners of transportation infrastructure in any potential package presented to Congress. Key funding and financing measures must include the following:

- Dedicated funding for locally owned infrastructure
- A strong federal-state-local intergovernmental partnership that maintains local decision-making
- Streamlining the federal permit process
- Preserving the tax-exempt status of municipal bonds and supporting innovative financing methods
- Bringing long-term certainty and solvency to the federal Highway Trust Fund

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