

FINANCE, PENSIONS AND INTERGOVERNMENTAL AFFAIRS

STATEMENT OF BASIC PHILOSOPHY

Counties, as political subdivisions of the sovereign states have a right and a responsibility to raise the necessary revenues to finance critical basic public services of a wide variety, many of which are federally mandated.

TENTH AMENDMENT

NACo affirms the Tenth Amendment to the Constitution of the United States as the operational force governing and balancing the respective powers of the states and local governments and federal government.

PARTNERSHIP AND THE NEED FOR STRONG COUNTY GOVERNMENT

Counties are more than just local branches of the state or federal government. As representatives of the local government that reaches all the people, county officials pledge themselves to strengthen and improve county government. The federal government should recognize the inalienable right of state and local governments to participate in the decision-making process of a federal system. It should further recognize that because local government is the closest to the citizenry it is often best equipped to deliver services and administer programs. Strong county government is an essential component and partner in the effective operation of national-state-local government activities.

INTERGOVERNMENTAL IMMUNITY FROM TAXATION

It has been long established, under the Constitutional doctrine of intergovernmental immunity that the federal government and state governments, and their political subdivisions, may not by taxation interfere with the legitimate functions of another. Furthermore, the Constitution, by requiring that the federal government guarantee a republican form of government to the states, requires that state and local governments should have the power to finance their legitimate functions free from federal interference. NACo insists that the federal tax system should acknowledge the direct and indirect linkages between federal and local tax systems. The federal government should not tax county governments or their respective functions, just as local governments cannot tax the federal government. Nor can federal tax policies be allowed to dictate states' revenue sources.

ASSESSMENT AND TAX ADMINISTRATION

A. GASB Activities Related to Performance Measurement: NACo opposes issuance by the Governmental Accounting Standards Board (GASB) of any standard or any other official guidance, such as a statement of recommended practice, on performance measurement for the following reasons:

- Accounting is not synonymous with accountability;
- Decisions about performance measurements depend on the specific goals, objectives and strategies pursued by a local government and inherently not simply an accounting decision but a part of the policy and budget process;
- Even a voluntary action by GASB, an authoritative standard-setting body, will be perceived as mandatory; and
- Standards will discourage, rather than foster, innovation in performance measurement.

B. Tax Exemption for Municipal Bonds: NACo supports the right of counties to issue governmental debt for essential public services by marketing bonds to investors with interest on such bonds remaining totally exempt from federal taxation. Just as federal debt is exempt from local taxes, county governments vigorously oppose any action in the context of tax reform or deficit reduction that would directly or indirectly tax, under the federal income tax, interest on state or local government municipal bonds, or would place these bonds in an inferior competitive position with federal debt instruments and corporate securities. NACo asserts that tax-exempt bonds are a critical tool for budgeting and financing of long-range investments in the infrastructure and facilities necessary to meet public demand for government services. NACo opposes restrictions that would drive up the cost of issuing tax-exempt bonds. NACo endorses simplifications that would ease existing burdensome restrictions on tax-exempt financing.

NACo supports the use of direct subsidy bonds (e.g. Build America Bonds and Recovery Zone Bonds) as additional financing options for county governments but not as a replacement for traditional tax-exempt municipal bonds.

C. Public Purpose: Counties should have the right to determine the public purposes to be financed by their bonds. The tax-exempt nature of tax-exempt bonds should be safeguarded when they meet a public purpose that benefits the community as a whole, not merely as individuals, regardless of ownership. Ownership or the employing power of those who operate a facility should not be the criteria by which public purpose is defined. However, eligibility for tax-exempt bonds should rest on a test of public purpose, defined in the following manner. A public purpose should be met:

- When a general purpose state or local government's general revenues have been used to finance a purpose or service over an historic period prior to issuance of a bond for a project determined to be necessary to the provision of such a purpose or service, or
- When local governments carry out a public service as directed by a federal mandate, e.g., jail overcrowding, clean air or water, or
- Where a bond issue is proposed by the local government and meets state and/or local requirements for bond approval. This process should not be used to override Congress' acts that certain facilities should not be eligible for tax-exempt financing.

D. Delinquent Tax Bonds: Counties should be allowed to issue tax exempt bonds to cover the cost of uncollected and delinquent real property tax bills.

ACCESS TO THE TAX-EXEMPT MARKET

When considering any legislation which would have an impact on the municipal bond market, Congress should ensure that access of state and local governments to the existing tax-exempt market should not be impaired. NACo supports legislative and regulatory efforts to assist state and local governments in accessing the municipal bond market during times of crises.

CATEGORIES OF TAX-EXEMPT BONDS

Tax-exempt bonds fall into three major categories:

- **Governmental Bonds:** Governmental bonds should meet at least one of the above three public purpose tests and their ultimate credit should be pledged from the general revenues of the local government that is the issuer of the bond.
- **Partnership/Private Activity Bonds:** Tax-exempt bonds that fall into this category are treated differently from governmental bonds in that they are subject to state-by-state volume limitations based on the population of the state. Partnership bonds are issued on behalf of a governmental body for public purposes that meet one or more of the above three tests. However, they differ from governmental bonds because they have no claim on the general tax revenues and are largely financed through the revenues generated by the project itself. Furthermore, the bond proceeds benefit a larger percentage of the private sector than the proceeds of governmental bonds. Examples of projects that may generally fall into this category are moderate to low income single family housing and small scale highly targeted economic development.
- **Special Exceptions:** Special exceptions should be made for multifamily housing, solid waste facilities, renewable energy improvements, energy efficiency, water conservation and efficiency projects, and they should not be subject to volume caps.

501(c)(3) NON-PROFIT ORGANIZATION BONDS

These are bonds that are issued by authorities created by a government on behalf of organizations that qualify for tax-exempt status under the federal tax code and Internal Revenue Service regulations. They are tax-exempt because they are deemed to perform a charitable service and help government to address the burdens of public service in a progressive manner. Therefore, these organizations should be eligible to use tax-exempt bonds as a capital financing tool as long as they meet certain public service requirements. These bonds are subject to the following restrictions and requirements that distinguish them from purely governmental bonds:

- **Non-Profit Hospitals:** Section 501(c)(3) non-profit hospitals should be required to meet appropriate Medicaid/charity care tests in return for the benefit received from using tax-exempt bonds. As long as they provide an appropriate percentage of their services to the uninsured or underinsured their bonds should not be subject to penalties or to the volume cap for all other 501(c)(3) institutions currently authorized under the Tax Reform Act of 1986.
- **Non-Profit Long-Term Care Facilities:** Section 501(c)(3) non-profit long-term care facilities for the elderly, disabled, or terminally ill patient (e.g., AIDS), should continue to be subject to the current volume cap unless, on a case by case basis, they meet appropriate Medicaid/charity care tests.

EXEMPTION FROM THE ALTERNATIVE MINIMUM TAX

Interest earned on tax-exempt bonds should be exempt from the federal Alternative Minimum Tax (AMT). This exclusion should also apply to 'excess' corporate book income, to the extent that it includes interest earned on tax-exempt bonds.

REFUNDING

NACo opposes restrictions on counties' ability to refinance their bonds at lower interest rates, which can save taxpayers millions of dollars.

DISCLOSURE OF INFORMATION BY MUNICIPAL BOND ISSUERS

NACo recognizes the need for full disclosure of all relevant information concerning a county's financial condition to potential investors, citizens, and other parties interested in municipal bonds. NACo opposes federally imposed standards for county financial accounting and reporting and supports those principles put forth by the GASB.

NACo supports disclosure guidelines developed by the Government Finance Officers Association and the GASB in cooperation with public interest groups and urges county governments to adhere to these guidelines.

ARBITRAGE RATES

NACo opposes requirements that non-abusive arbitrage earnings from investments of bond proceeds in higher yielding securities be rebated to the United States Treasury. The federal government should amend the U.S. tax code to provide simpler and more flexible criteria to determine whether arbitrage has been earned in using tax-exempt bond proceeds.

SIMPLIFICATION OF TAX-EXEMPT BOND STATUTES

NACo urges Congress to simplify current tax-exempt bond statutes and that the legislation includes provisions to:

- Raise the small-issuer arbitrage rebate;
- Establish an arbitrage rebate safe harbor with a three-year spend out for construction projects;
- Raise the small-issuer bank interest deduction exception; and
- Repeal the five percent unrelated or disproportionate use rule.

MANDATED INFRASTRUCTURE FACILITY BONDS

NACo urges Congress to create a new category of bonds called Mandated Infrastructure Facility Bonds to assist states, counties, and cities in financing federal infrastructure mandates. The bonds would not be subject to arbitrage requirements, state-wide volume caps or limitations on advance refunding.

CREDIT ASSISTANCE

Any credit assistance program should be automatically applicable to all legitimate state and local borrowing and should not be subject to elaborate administrative procedures.

EQUALIZATION IN FEDERAL GRANTS

The distribution of federal grants should reflect relative inequalities among recipient governments in program needs and in the fiscal capabilities to meet these needs with the following:

- **Appropriateness and Feasibility:** Appropriate agencies of the federal government should be required to examine those grant programs that distribute funds directly to local governments or support local projects, in order to assess the extent to which variations in local fiscal capabilities should be recognized in their distribution and appraise the feasibility of administering effective and equitable equalization provisions in such grants;
- **Periodic Review of Need Indices:** The departments and agencies responsible for administering federal grant programs should be required to review periodically the adequacy of the need indices

employed in the respective grant programs and the appropriateness of their equalization provisions;

- **Recognizing Disparities:** States should be required to recognize disparities in fiscal needs and resources among local governments in the redistribution of federal grant funds; and
- **Serving Incorporated Areas:** All federal grant programs should include equitable criteria that recognize that county governments serve all citizens within their boundaries, including areas within incorporated municipalities. The distribution of federal assistance funds should be based on total county population when determining prime sponsorship or entitlement.

BLOCK GRANTS

NACo urges Congress and the Administration to consider the following principles in developing block grant legislation:

- Emphasis should be on reducing expenses and not on shifting costs from the federal government to local taxpayers;
- Federal block grant legislation should be developed in close consultation with county officials;
- States should be required to jointly plan, review, accept, and publish comments from county officials on all expenditures of federal funds;
- Federal block grant funds for health, social services, employment, community and economic development, and criminal justice should be allocated to general purpose local governments where existing service delivery systems are in place;
- Reasonable transition time should be allowed to move from categorical to block grants and counties should be given sufficient time to adjust their own laws, budgets and administrative procedures to comply with changes in federal policy;
- Local flexibility should be permitted to address identifiable needs within the context of meeting broad national objectives;
- Block grant proposals should require political accountability for the expenditure of public funds at the county level;
- Accountability for the use of funds should be demonstrated through outcome measurements;
- State administration costs should be capped to what is reasonable and justifiable on the basis of current administrative costs; and
- If a federal mandate is eliminated or waived for a state it should be eliminated for local governments.

GENERAL SERVICES ADMINISTRATION SCHEDULE CONTRACTS

Access to General Services Administration schedule contracts provides volume pricing and reduces unnecessary duplication of effort by multiple federal, state and local government contract managers to make public sector procurement more cost-effective. NACo supports total access for local governments to GSA schedule contracts, including access to “green” schedules.

CONSULTATION IN FEDERAL DECISION-MAKING

The federal government should encourage early and meaningful involvement of elected public officials and their representative organizations in all aspects of national decision-making. The federal government should discern the difference between the partnership role of public elected officials and their representative groups and the advisory role of public interest groups representing non-elected officials.

RECOGNITION OF FISCAL IMPACTS

The national government should protect the integrity of its state and local government partners by establishing an expanded fiscal impact policy. This policy should inform state and local governments of all anticipated regulatory and fiscal impacts of proposed policies on state and local budgets.

MANDATE FUNDING

The federal government should fund local government for all costs associated with complying with mandates.

PREEMPTION

Preemption of local authority is a growing concern of the nation's counties. Federal efforts to dictate implementation of traditional county responsibilities and functions undermine the concept of federalism and are contrary to the constitutional framework underlying federal/state/local relations. Therefore, NACo opposes any effort by the federal and state governments, or international agreement, to preempt local authorities. Federal preemption of local authority should not be initiated unless there is an overriding national issue and the fiscal impact on local government of such action has been evaluated closely.

Additionally, NACo opposes any federal legislative or regulatory initiatives that would preempt state and local taxing authority.

DEDUCTIBILITY OF STATE AND LOCAL TAXES

The federal tax code should retain the deductibility of all state and local taxes, particularly the property tax, and it should reinstate the deductibility of sales taxes. NACo opposes any requirements that place the burden of responsibility on counties to determine and specify on real property tax bills the deductibility of those taxes and also opposes any requirement to report to the Internal Revenue Service the amount of taxes paid by each taxpayer.

SALES AND USE TAXES

NACo supports efforts to reduce the complexity of state and local sales and use tax laws. NACo also supports granting counties with the authority to enforce the collection of already existing sales and use taxes from remote sellers.

Congress consider legislation related to the collection of remote sales taxes, the legislation should:

- Establish a definition of what constitutes a reasonable “nexus” between a state or locality and a vendor;
- Establish a consistent definition of “small business” and the small business exemption;
- Utilize a destination-based taxing system for online and remote sales;
- Support and consider codifying the Streamlined Sales and Use Tax Agreement;
- Ensure local sales taxes are included in collection and distribution methods; and
- Not be used by the federal government as a means to undermine county government taxing authority and revenue streams.

QUASI-GOVERNMENT INSTRUMENTALITIES

The federal government should not deprive counties of their effective power to tax through creation of quasi-governmental instrumentalities that are exempted from state and local taxes.

VALUATION AND ASSESSMENT DECISIONS

NACo opposes federal legislation that intrudes into state and local government valuation and assessment decisions.

AD VALOREM TAXES

NACo opposes federal legislation that attempts to usurp state jurisdiction over ad valorem taxes.

REFORM OF PROPERTY TAXES

The property tax should be regarded as a necessary part of an overall tax system because it raises a substantial amount of money and is, in fact, the largest single source of local tax revenue. However, property tax revenues are no longer sufficient to support all functions of local government, and the property tax is no longer the best measure of a person's ability to pay. Counties should have the ability to employ additional means of financing county government. NACo recommends the following policies to relieve and reform the property tax:

- **Maintenance of Federal and State Funding:** Federal and state financing of public assistance and income-maintenance programs should be maintained by federal and state governments.
- **Reimbursement:** Legislation should be enacted by the federal government or the states to reimburse counties for any loss in property tax revenues caused by legislation or by administrative action which reduces or exempts property from taxation, such as the holding of lands in trust for the benefit of Native Americans.

INTERCEPT OF FEDERAL TAX REFUNDS

NACo supports federal legislation to permit the offset of federal tax refunds for state and local tax debts and outstanding court-ordered obligations in criminal and juvenile justice proceedings.

FEDERAL TAX REFORM

NACo supports tax reform and simplification, and encourages Congress and the Administration to make it a priority.

EMPLOYEE BENEFITS

A. Social Security and Medicare: NACo believes that participation in Social Security and Medicare should be optional for state and local public sector workers and should be based on the efficacy and soundness of state or local public employee retirement systems. Efforts to fund and improve Social Security and Medicare should not rely on the mandatory participation of state and local workers.

Further, NACo believes that there should be no federal restrictions on the maintenance or initiation of separate or supplementary retirement, health or disability systems.

B. Pension and Retirement Benefits: NACo believes that all counties should provide all county employees with adequate pension and retirement benefits that are governed by county elected officials and that are exempt from tax and regulatory burdens. County pension plans should be required to fully disclose all plan information.

NACo also believes that counties should implement strong fiduciary standards, prudent investment practices, sound funding procedures, and equitable vesting requirements. NACo supports the

continuation of deferred compensation (457) plans for county employees. County employees should be able to utilize these plans to adequately provide for their own retirements.

NACo supports full portability of retirement benefits between all types of retirement plans and opposes any policy that would eliminate or limit the special features of state and local governmental retirement plans.

NACo supports pension reforms that would:

- Simplify county compliance with Section 415 of the Internal Revenue Code;
- Increase IRA limits and catch-up contributions to public sector plans;
- Allow for tax-free withdrawals for charitable purposes;
- Continue employer-sponsored 457 deferred compensation plans for county employees and increase benefit and contribution limits;
- Simplify rollover procedures between all types of plans; and
- Permit the purchase of service credits in governmental defined benefit plans.

C. Workers' Compensation: Workers' Compensation laws must remain the prerogative of individual state legislatures.

D. Employee Assistance Programs: NACo supports employee assistance programs that are designed to reduce absences from work and increase worker productivity. Employee assistance programs may address, but should not be limited to, alcohol and drug abuse, financial hardship, divorce, dysfunctional family relationships, and dysfunctional employees.

E. Family and Medical Leave: NACo strongly supports family and medical leave programs that permit county employees to attend to family and medical matters without the threat of the loss of one's job or the loss of benefits or seniority. NACo also supports leave programs for county and other elected officials so that they may attend to their elected official duties without fear of termination, deductions from existing leave accounts, poor performance ratings or loss of other benefits.

COUNTY AND TRIBAL GOVERNMENT RELATIONS

The policy of NACo is to support government-to-government relations that recognize the role and unique interests of tribes, states, counties, and other local governments to protect all members of their communities and to provide governmental services and infrastructure beneficial to all – Indian and non-Indian alike.

NACo recognizes and respects the tribal right of self-governance to provide for tribal members and to preserve traditional tribal culture and heritage. In similar fashion, NACo recognizes and promotes self-governance by counties to provide for the health, safety, and general welfare of all members of their communities. To that end, NACo supports active participation by counties on issues and activities that have an impact on counties.

NACo supports the reaching of enforceable agreements between tribes and local governments concerning the mitigation of impacts of gaming or other development. NACo opposes any federal limitation on the ability of tribes, states, counties and other local governments to reach mutually acceptable and enforceable

agreements or on the ability of these governments to fulfill the purposes for which they have self-governance.

Nothing in federal law should interfere with the provision of public health, safety, welfare, or environmental services by local government. It is the policy of NACo to support legislation and regulation that preserves – and does not impair – the ability of counties to provide these services to the community.

LANDS IN TRUST

NACo supports the improvement of the process by which lands are considered to be taken into trust, including revision of the Indian Reorganization Act of 1934, to require:

- adequate advance notice of applications,
- actual meaningful consultation (including providing counties 120 days to respond to applications and requiring the Department of the Interior/Bureau of Indian Affairs to respond within 90 days, in writing, to such comments explaining the rationale for acceptance or rejection of those comments), and
- to the extent constitutionally permissible, the consent of the affected counties.

NACo opposes administrative action or a legislative “quick fix” to overturn the United States Supreme Court decision in the case of *Carcieri v. Salazar*, 555 U.S., 129 S. Ct. 1058 (2009), which held that the Secretary of the Department of the Interior (DOI) lacks authority to take land into trust for tribes that were not “under federal jurisdiction” upon enactment of the Indian Reorganization Act (IRA) in 1934. NACo calls on Congress to address any *Carcieri* issues as part of a comprehensive examination and congressionally enacted reform of the fee land into trust process. *This reform is necessary as the current federal fee to trust process as exercised under the IRA and as used under the “restored lands” exception to the Indian Gaming Regulatory Act (IGRA) is contrary to the original legislative intent; is without clear and enforceable standards; does not take into account county interests; and, at times, interferes with county ability to provide essential services to the community.* NACo supports legislative changes to the trust process that also include full compensation to counties for lost tax revenue resulting from taking lands into federal jurisdiction.

GAMING

NACo supports the revision of the IGRA to require consultation with and mitigation of identified impacts on affected local governments and the implementation of accountability procedures.

ELECTIONS

Counties administer the nation’s elections and must be an integral stakeholder in any meaningful reform of our election process. Counties have traditionally administered and financed elections in the United States because the vast differences in geographic and population sizes, language needs and other local requirements necessitate differences in elections administration. This local and disparate election administration also assists in elections security. Therefore, NACo opposes any legislation that imposes specific and impractical requirements regarding equipment, procedures, and personnel responsibilities. Further, while NACo believes that post-election audits are an integral part of securing our elections and supports efforts to develop and assist counties in implementing best practices, NACo opposes any

legislation that requires any specific methodologies.-Counties additionally opposes unfunded mandates and insufficient deadlines with regard to federal election reform. NACo further asserts that counties should not be held liable for state failures to comply with election requirements imposed by the federal government.

NACo strongly supports the role and functions of the U.S. Election Assistance Commission (EAC) which recognizes and focuses on the importance of rigorous testing of voting equipment and brings together election technology experts and local election officials to develop guidelines and standards that protect our critical infrastructure and appreciates the efficiencies and cost savings of voluntary federal certification. NACo supports this process and opposes any legislation that seeks to create further federal certification processes in addition to the EAC certification. Further, NACo appreciates the important role the EAC plays in coordinating collaborative efforts among local, state and federal government officials in addressing issues associated with the field of election administration.

ELECTION FUNDING

Counties support a consistent, predictable and dedicated federal funding stream to assist counties with meeting the significant federal requirements already imposed on local governments administering elections. Federal funding dedicated to election administration should be administered in coordination and in consultation with local governments, including an assurance that a portion of the funding be made available to the discretion of local governments. A consistent federal funding stream would allow counties to prepare for future technology and security updates, as well as to provide continued access to voters that have challenges as required by existing federal laws such as the Voting Rights Act and Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA). Additionally, any new federal legislation or regulations on local election administration must be fully funded and should acknowledge the substantial variety of administration techniques employed in states and counties across the country.

ELECTION SECURITY

Counties believe secure elections are a central component of our nation. NACo supports efforts by Congress to combat the cybersecurity threats that are already negatively impacting public perception of the integrity of elections. Any legislation should involve county election authorities in addressing these threats and include provisions requiring information sharing between federal, state and local authorities.

NACo believes it is essential that election cybersecurity guidelines and grant administration remain coordinated within the existing structure of the Election Assistance Commission (EAC) rather than having a new federal entity develop potentially conflicting guidelines.

In general, NACo urges Congress to adhere to the following guidelines when enacting election cybersecurity legislation:

- Increase the availability to local governments of interim election preparedness grants and the accessibility of these grants to counties, with criteria based on security principles rather than specific technologies;

- Authorize a separate and sustainable allocation of funds for local governments;
- Utilize advisory panels already in existence, such as the EAC, Government Coordinating Council, or Election Infrastructure Information Sharing and Analysis Center (EI-ISAC), or otherwise give significant representation to local authorities (including local government Chief Information Officers) on any new advisory panel on election cybersecurity;
- Maximize flexibility and opportunities for nimble, innovative and secure tabulation auditing protocols;
- Provide county election officials, government Chief Information Officers and other county technology offices with maximum information about cyber threats; and
- Avoid inclusion of a “hack the election” program, or else place it under the EAC.

TOOLS FOR MINORITY LANGUAGE OUTREACH UNDER THE VOTING RIGHTS ACT

NACo expresses concern that the federal government does not provide the essential resources needed for voters who require assistance to participate in our democracy. Many counties lack essential tools required to comply with Section 203 of the Voting Rights Act and serve the needs of voters who are limited English-proficient.

NACo encourages full funding for the Census Bureau and additional funding for the Department of Justice and/or the Census Bureau to notify affected jurisdictions upon publication in the Federal Register of any coverage determination under Section 203 of the Voting Rights Act. Such notice should specify the basis for the coverage determination and should include a data supplement for use in targeting outreach required under Section 203. This supplement should disaggregate the demographic data used to determine coverage by census tract or other smallest level appropriate.

THE POSTAL SYSTEM IS A PARTNER IN ELECTIONS

NACo supports a domestic and international mail system that supports our election system and ensures that all voters, including those in the military and overseas, are able to fairly and freely participate in our elections. Such a system would include high quality delivery methods, tracking and notice of changes in the system to impacted local governments.

NACo also supports the establishment of a discounted Presort First-Class postage rate, similar to that enjoyed by federal agencies such as the Internal Revenue Service, for specified local government mailings mandated by federal or state law, such as voter registrations, election ballot mailings, property tax statements, summonses, and jury duty pay.

REPEAL OF THE REAL ID ACT

NACo urges repeal of the Real ID Act of 2005. It places an unfair burden on the motoring public, threatens privacy, and leaves citizens vulnerable to identity theft. The Act fails to accomplish its mission of improving security. NACo urges the federal government to ensure that Homeland Security should start at home by allowing driver's license renewal services to remain at home.

AMERICAN COMMUNITY SURVEY

NACo supports nationwide implementation of the American Community Survey to improve the utility of census data and permit more frequent releases of data to demonstrate emerging local and regional trends.

In particular, NACo recognizes the importance of the American Community Survey to identifying and serving veterans across the country.

FINANCE, PENSIONS AND INTERGOVERNMENTAL AFFAIRS RESOLUTIONS

Resolution Supporting a Complete and Accurate Census 2020 Count

Issue: Supporting a complete and accurate Census 2020 Count.

Adopted Policy: The National Association of Counties (NACo) supports full funding for an accurate and complete count during and throughout the 2020 Census. NACo supports the forming of complete count committees at the local level. NACo urges Congress to provide enhanced funding to rural counties, where access to reliable internet is a challenge, in order to support a complete and accurate census count in rural communities.

Adopted | July 15, 2020

Resolution to Oppose the ACA's 40 Percent Excise Tax on High-Cost and Employer-Provided Health Benefits

Issue: Resolution to oppose the Affordable Care Act's (ACA) 40 percent excise tax on high-cost and employer-provided health benefits.

Adopted Policy: The National Association of Counties (NACo) opposes the taxation of health insurance benefits to county employees through the application of the ACA excise tax on health insurance benefits for county employees, the capping of the tax exclusion for employer-based defined contributions made by counties and/or any new taxes which would apply to the health benefits that counties provide to their employees. NACo supports the passage of H.R.748/S.684, the "Middle Class Health Benefits Tax Repeal Act of 2019," which would repeal the excise tax.

Adopted | July 15, 2020

Resolution Supporting the Municipal Advisor Rule

Issue: The Security and Exchange Commission's (SEC) Municipal Advisor rule under the Dodd Frank Act.

Adopted Policy: The National Association of Counties (NACo) supports the 2013 rule released by the Securities and Exchange Commission (SEC) on the Registration of Municipal Advisors (MA), as well as the operational guidance released by the SEC. Counties support regulations separating the duties between MAs and financial advisors to prevent manipulation of government finances or use of government financial transactions for personal gain.

Adopted | July 15, 2020

Resolution to Preserve Municipal Investment Options and Access to Capital for Public Infrastructure and Economic Development

Issue: Recent Securities and Exchange Commission (SEC) rules altering money market funds and reducing access to capital markets used to finance infrastructure development projects.

Adopted Policy: The National Association of Counties (NACo) supports legislation to preserve communities' access to capital and promote economic development by expressly permitting any money market fund with the choice to operate on a stable net asset value (NAV) basis if it adheres to certain requirements and restrictions. Such legislation should not have any impact on the other changes to the regulation of money market funds that were adopted by the Securities and Exchange Commission (SEC) in 2010 and 2014.

Adopted | July 15, 2020

Resolution in Support of Restoring Tax Incentives for Automatic Fire Sprinkler Systems

Issue: Fire sprinklers and other interior building improvements no longer meet certain expensing and depreciation qualifications.

Adopted Policy: The National Association of Counties (NACo) urges Congress to correct an unintentional drafting error in the Tax Cuts and Jobs Act of 2017 (TCJA; P.L. 115-97) to allow qualified improvement properties (QIPs) to be eligible for bonus and accelerated depreciation as intended by the TCJA.

Adopted | July 15, 2020

Resolution in Support for Reauthorization of the Volunteer Responder Incentive Protection Act

Issue: Tax protections of incentives for volunteer firefighters and emergency medical services (EMS) personnel expired in 2010 and must be reauthorized.

Adopted Policy: The National Association of Counties (NACo) urges Congress to support the Volunteer Responder Incentive Protection Act of 2019 (VRIPA), which would waive federal income taxes on nominal recruitment and retention incentives provided by local jurisdictions to volunteer firefighters and EMS personnel.

Adopted | July 15, 2020

Resolution on Federal Tax Intercept of Unpaid Court Fees

Issue: Re-introduce and pass the Crime Victim Restitution and Court Fee Intercept Act to facilitate a federal tax intercept for recovering court debt.

Adopted Policy: The National Association of Counties (NACo) urges Congress to re-introduce and pass the Crime Victim Restitution and Court Fee Intercept Act.

Adopted | July 15, 2020

Resolution on Volunteer Driver Reimbursement Rates

Issue: Ensuring mileage reimbursement rates for volunteer drivers for counties.

Adopted Policy: The National Association of Counties (NACo) urges Congress to enact H.R. 2072, the *Volunteer Driver Tax Appreciation Act of 2019*, to ensure equal mileage reimbursement between the charitable and business mileage rates.

Adopted | July 15, 2020

Resolution Urging Congressional and Administration Commitment to Timely Enactment of Federal Budget Appropriations and No More Shutdowns

Issue: The purpose of this resolution is to urge Congress and the President to work together to enact all federal budget appropriations bills by October 1 of each new fiscal year, thereby avoiding continuing resolutions and government shutdowns, which create costly delays and uncertainty in providing federal assistance and programs for U.S. counties and their residents.

Adopted Policy: The National Association of Counties (NACo) urges Congress and the President to commit to working together to get agreement on all spending legislation by October 1 of each year. This is a fundamental responsibility of both Congress and the President and should be taken more seriously. Counties work hard to get their budgets approved on a timely basis and Congress should do the same. Our citizens deserve no less.

Adopted | July 15, 2020

Resolution on Federal Government Nonpayment of Special District Fees

Issue: The federal government refuses to pay its fair share, arguing it is a tax rather than a fee.

Adopted Policy: The National Association of Counties (NACo) supports federal regulatory and legislative efforts to ensure the federal government pays its fair share of special district fees.

Adopted | July 15, 2020

Resolution Supporting Urgent Congressional Action to Provide State and Local Fiscal Relief

Issue: The COVID-19 public health emergency has triggered an economic crisis which has drastically reduced county revenues, threatening the ability of counties to provide basic services.

Adopted Policy: The National Association of Counties (NACo) urges Congress to immediately enact additional emergency fiscal relief for states and local governments. The relief for counties and municipalities should be divided equally. Counties of all sizes should receive their funding directly from

the federal government. We strongly support the continued efforts of Congress to approve much-needed emergency relief for revenue losses being experienced by state and local governments due to COVID-19. This would be a tremendous boon to strained municipal budgets across the Country and help preserve vital public health and public safety services. Understanding additional relief is still being considered and debated at this moment, we implore Congress to amend the Coronavirus Relief Fund established in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to permit those funds, including those already allocated, either directly or through state distributions to counties and municipalities, to be used to offset lost revenue due to the public health emergency and resulting economic slowdown. Permissible uses of the fund should be flexible and include offsetting revenues lost due to the public health emergency and resulting economic slowdown.

Adopted | July 15, 2020

Interim Resolution Supporting Legislation to Make State and Local Governments Eligible to Receive Payroll Tax Credits Authorized Under the Families First Coronavirus Response Act

Issue: Under current law, state and local governments are not eligible to receive the emergency paid leave payroll tax credit established under the Families First Coronavirus Response Act (FFCRA).

Adopted Policy: The National Association of Counties (NACo) urges Congress to immediately pass a legislative fix in future COVID-19 response proposals that would extend the emergency leave payroll tax credit to state and local governments.

Adopted | March 19, 2021