NACo Analysis of U.S. House Democrats' Infrastructure Package:

H.R. 2, the Moving Forward Act

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NACo Legislative Analysis: U.S. House Democrats' Comprehensive Infrastructure Package

H.R. 2, the *Moving Forward Act*

INTRODUCTION

In recent weeks, Democrats in the U.S. House of Representatives have taken steps to advance a comprehensive infrastructure package centered around the "Moving America and the Environment Forward" framework released by House leadership in January. Beginning with the passage of a surface transportation authorization by the U.S. House Committee on Transportation and Infrastructure on June 18, House Democrats turned their sights toward a larger package: H.R. 2, the *Moving Forward Act*, that bundles a surface bill with funding for additional infrastructure projects, including clean water and energy projects, broadband, ports and airports, public schools, public housing, hospitals. It also includes enhanced environmental and labor protections. The 2,309-page, $1.5 trillion dollar infrastructure proposal advanced to the floor on June 30 and passed along mostly party lines on July 1. The legislation did not require bipartisan support to advance.

While the House pushes forward with its vision for infrastructure, U.S. Senate committees of jurisdiction continue their work to draft titles for rail, safety and public transit programs to complement the U.S. Senate Committee on the Environment and Public Works' highway bill, S. 2302, *the America's Transportation Infrastructure Act* (ATIA). ATIA is also a five-year reauthorization, providing $287 billion for federal highways from FY 2021 through FY 2025. In comparison to the highway title proposed by House Democrats, ATIA's funding level is a $32 billion (10 percent) decrease. Senate EPW passed the bipartisan measure out of committee in summer 2019. The upper chamber's Republican majority has not signaled action around a grander package that would match the House's action, nor is it clear when the remaining Senate committees will act.

Counties believe that a strong intergovernmental partnership is key to strengthening our nation's infrastructure and bolstering economic recovery for local governments hit hard by the COVID-19 pandemic. As owners and operators of 45 percent of public roads and nearly 40 percent of the National Bridge Inventory and direct supporters of 78 percent of the nation's public transit systems and 34 percent of public airports, counties play a critical role connecting people, businesses and economies. We invest $134 billion annually in the construction of infrastructure and maintenance and operation of public works, including $83 billion in community health and hospitals; $60 billion in the construction of public facilities, such as hospitals, schools, jails and other local institutions; and $21.6 billion in sewage and waste management. Counties urge Congress to recognize the significant role that local governments play in the national transportation and infrastructure network by addressing county priorities, including:

- Providing for a strong federal-state-local intergovernmental partnership that maintains local decision-making
- Dedicating funds for locally owned infrastructure
- Preserving the tax-exempt status for municipal bonds
- Streamlining the federal regulatory process while ensuring good environmental stewardship
- Bringing long-term certainty and solvency to the federal Highway Trust Fund

EXECUTIVE SUMMARY

On June 4, Democrats on the U.S. House Committee on Transportation and Infrastructure (T&I) introduced H.R. 7095, the *Investing in a New Vision for the Environment and Surface Transportation (INVEST) in America Act*, a $494 billion, five-year surface transportation authorization. Through its four divisions, the surface bill would largely extend current law (P.L. 114-94) for highways and transit through FY 2021 (Division A), followed by new and existing authorizations for these programs from FY 2022 through 2025 (Division B). Pipeline safety and hazardous materials safety programs (Division C), as well as rail provisions (Division D), would be newly authorized from FY 2021 through FY 2025. On June 18, House T&I favorably passed the bill, as amended, out of committee along party lines following its re-designation as H.R. 2 and a controversial two-part, 24-hour markup that saw the consideration of roughly 300 amendments from both sides of the aisle, including an amendment from T&I Republicans introducing their own version of a surface transportation reauthorization, the *Surface Transportation Advanced through Reform, Technology, and Efficient Review (STARTER) Act*, that was defeated moments later by T&I's Democratic majority. View NACo's comprehensive analysis of the House T&I Democrats' surface transportation authorization (Divisions A—D of H.R. 2) here.

On June 22, House Democrats built on T&I's progress, further advancing their vision for a comprehensive infrastructure package with the release of the remaining legislative text for H.R. 2 based around their January framework, which 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 contains authorizations for public housing, schools and hospitals that were not outlined in the Democrats original proposal. Including these additional provisions, the proposal has doubled from a projected $760 billion in January to its current price tag of roughly $1.5 trillion dollars, with a projected $140 billion shortfall in the surface transportation portion alone.

The U.S. House of Representatives passed H.R. 2 on July 1 along predominantly party lines, with two Democrats and an Independent voting against the bill and three Republicans crossing the aisle to support the package. View the vote's roll call here.

Initially beginning with the surface transportation's four divisions, H.R. 2 as it currently stands has been expanded to include, in total, 13 divisions:

- **Division A:** FY 2021 surface transportation authorization of current law, plus additional Highway Trust Fund authorities for highway and transit programs
- **Division B:** FY 2022 through FY 2025 surface transportation reauthorization for highways and transit
- **Division C:** FY 2021 through FY 2025 reauthorization for USDOT's Pipeline and Hazardous Material Safety Administration
- **Division D:** FY 2021 through FY 2025 rail reauthorization
- **Division E:** Airport infrastructure, sustainable aviation fuels
- **Division F:** Water resources infrastructure
- **Division G:** Broadband, vehicle safety, clean drinking water, clean energy, electric vehicle deployment and healthcare infrastructure
- **Division H**: National Scenic Byways program
- **Division I:** U.S. Postal Service
- **Division J:** Public housing
- **Division K:** Public schools

- **Division L:** Public lands, tribal infrastructure and resilient natural infrastructure
- **Division M:** Bonds and other financing tools

Top line numbers for program authorizations within the INVEST in America Act include the following over FY 2021 through FY 2025:

- **$494 billion** for a five-year surface transportation reauthorization, including:
  - **$319 billion** for the Federal Highway Administration
  - **$105 billion** for the Federal Transit Administration
  - **$60 billion** for the Federal Railroad Administration, including **$29 billion** for Amtrak
- **$37.5 billion** for airports through the Federal Aviation Administration's Airport Improvement Program and additional supplemental funds
- **$10 billion** for the U.S. Army Corps of Engineers to address the nearly $100 billion worth of authorize water resource projects
- **$10 billion** for community health center infrastructure upgrades and capital projects
- **$40 billion** for clean water investments
- **$70 billion** for clean energy grant programs
- **$100 billion** for the deployment of broadband infrastructure, especially in rural areas
- **$10 billion** for community health center infrastructure upgrades and capital projects
- **$70 billion** to address the backlog of affordable housing capital projects
- **$100 billion** for the long-term improvement of public schools, especially high-poverty schools

In addition to spending levels authorized in the bill, H.R. 2 would also address funding and financing tools important to counties, including the reinstatement of Advanced Refunding and Build America Bonds. The bill also includes a full unlock of the Harbor Maintenance Trust Fund, which would provide the Corps access to the fund's roughly $10 billion balance for use on harbor maintenance projects. The very last title of the bill addresses the Highway Trust Fund (HTF), however, not in a meaningful way. It would extend current taxes on motor fuels and other sources of revenue for the HTF, which are already known to be insufficient, and provide for an additional transfer of about $144 billion from the general fund of the U.S. Treasury to cover the remaining shortfall. Upon release of the bill on June 22, U.S. House Majority Leader Steny Hoyer (R-Md.) signaled that his conference would be looking toward the White House to determine the package's funding mechanism.

Notably, this legislation does not include a reauthorization for the U.S. Army Corps of Engineers (Army Corps) to advance water resource projects, as was initially proposed in the House's January framework. Traditionally, the Army Corps' authorization – a renewal of the Water Resources Development Act that is more commonly referred to as WRDA – is renewed cleanly every two years on a bipartisan basis. This signals that House Democrats likely realize the near impossibility of their package clearing necessary hurdles in the U.S. Senate but still want to see the Army Corps bill reauthorized when it expires on September 30, 2020. To this end, House T&I plans to release their version of WRDA later this year. Similarly, the U.S. Senate Committee on Environment and Public Works is working on drafting its own clean, two-year WRDA bill.

On June 29, the U.S. House Committee on Rules considered the bill and determined the process for managing the bill on the House floor this week. View hundreds of submitted amendments to the package here. As reported, the Rules Committee also re-designated the name of the bill to H.R. 2, *the*

Moving Forward Act, to reflect its all-inclusive infrastructure systems approach, as well as the name of the House's initial framework outlining the proposal.

If H.R. 2, *the Moving Forward Act,* is enacted, it would do the following:

- **Increase funding for surface transportation programs by 62 percent** over current levels prescribed by the FAST Act (P.L. 114-94)
- **Substantially increase direct funding opportunities for counties to advance surface transportation projects** by creating or reviving over 20 new grant programs, the majority of which could be applied for directly through USDOT
- **Allow FY 2021 highway and transit funds to be used at a 100 percent federal cost share** to assist communities recovering from COVID-19
- **Maintain and increase the off-system bridge set-aside** to over $1 billion annually
- **Increase sub-allocation amounts for counties** through the Surface Transportation Block Grant program
- **Prioritize returning surface transportation assets to states of good repair** versus providing new capacity for motor vehicles and **increase active transportation** opportunities
- **Unlock the Harbor Maintenance Trust Fund**
- **Invest $130 billion in grants and bonds** for infrastructure improvements in high-poverty public schools
- **Authorize $10 billion in grants for childcare facility improvements** to increase child safety and meet health requirements created by the COVID-19 pandemic
- **Create new options for State Revolving Funds under the Federal Emergency Management Agency** for hazard mitigation projects
- **Prohibit state barriers and restrictions on municipal-owned broadband networks** that are currently in place in 22 states where counties are either impeded or prohibited entirely from owning or operating municipal broadband networks
- **Provide $700 million annually to establish a new program** for projects that improve resiliency, performance or efficiency of the electricity grid
- **Direct states to coordinate with local governments and other entities** in the development of state energy plans
- **Authorize $10 billion through a new competitive process** within the Community Development Block Grant program
- **Authorize $5 billion for the Home Investment Partnerships (HOME) program**
- **Increase state Low Income Housing Tax Credits** annual allocations
- **Increase funding allocations** and **make permanent the New Markets Tax Credit program**

ANALYSIS

Division A—Covid-19 Response and Recovery

Extends FY 2020 USDOT funding levels through FY 2021: Sec. 101 would extend current FY 2020 authorization levels set in the fifth and final year of the FAST Act for USDOT highway ($43.37 billion), transit ($10.25 billion), traffic safety ($778.3 million) and commercial vehicle safety ($675.8 million) administrations through FY 2021 to allow for communities to recover from COVID-19 prior to putting new transportation policies in place.

Counties are facing a projected $144 billion budget shortfall as a result of our frontline response to the COVID-19 pandemic, including billions in lost transportation revenues alone. In April and May 2020 alone, counties are projected to have lost $1.2 billion in transportation revenue alone.

Authorizes additional $14.74 billion for highways in FY 2021 ($58.11 billion total): Sec. 102 would authorize an additional $14.74 billion in contract authority from the Highway Trust Fund (HTF) above FY 2020 levels ($43.37 billion) to be distributed to states through the FAST Act's six existing highway formulas and sub-allocation procedures to local governments, bringing the total to $58.11 billion for FY 2021. Project eligibility would be intentionally broad to help communities recover from the effects of COVID-19 on transportation systems. This section would allow FY 2021 highway funds to be obligated at a 100 percent federal share, with the exception of projects completed under the Infrastructure for Rebuilding America (INFRA) grant program or the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program.

While counties own more road miles in the United States than any other form of government, we recognize that the nation's transportation system depends on roads and bridges owned by all levels of government and that the role counties play within a state varies greatly state-by-state. Therefore, counties support a federal highway program that supports investments on both state and locally owned roads and bridges.

Authorizes additional $5.79 billion for public transit for FY 2021 ($15.94 billion total): Sec. 103 would authorize an additional $5.79 billion in HTF contract authority above FY 2020 levels ($10.15 billion) for mass transit systems to be distributed through existing formula grants programs, including those to urbanized (5307) and rural (5311) areas and those for growing states and high density (5340), increasing the state of good repair (5337) and enhancing the mobility of seniors and people with disabilities (5310). This would bring the total HTF contract authority for public transit systems to $15.94 billion for FY 2021. Funds would be eligible for both capital and operating expenses, including the purchase of personal protective equipment. Transit agencies, including local and regional transit systems, would be required to use the additional funds – to the maximum extent possible – for payroll and to provide public transit service.

Counties directly support 78 percent of the nation's public transit systems that connect people and places in every corner of the country.

Authorizes additional $958 million for Capital Investment Grants (CIG) for FY 2021 ($3.26 billion total): Sec. 103 would also increase funding in FY 2021 for the Federal Transit Administration's CIG program by adding an additional $958 million to the program's current authorization level of roughly $2.3 billion annually, as set by the FAST Act (P.L. 114-94). It would also allow sponsors to request an increase in the federal share by up to 30 percent for transit projects to mitigate the impact of lost local revenue associated with COVID-19 incurred since January 20, 2020. Funds obligated in FY 2021 would be eligible for up to a 100 percent federal share. Sponsors could also defer local match requirements under the newly established CIG COVID-19 Emergency Relief Program. Under current law and the INVEST in America Act, counties can apply directly to USDOT for CIG funds that may be used to complete heavy and light rail, commuter rail, streetcar and bus rapid transit projects.

Counties believe that Congress should provide funds, in partnership with state and local governments, to improve existing public transportation systems and to establish new transit systems where needs and benefits have been determined by local elected officials.

Authorizes additional $454.4 million in HTF contract authority for USDOT safety administrations ($1.91 billion total): Sections 104 and 105 would provide additional HTF contract authority for FY 2021 in the amounts of $244.5 million for the National Highway Safety Administration (NHTSA) and $209.9 million for the Federal Motor Carrier Safety Administration (FMCSA), respectively. FY 2020 funding levels set in the FAST Act for NHTSA are $778.3 million and $675.8 million for FMCSA.

Division B—Surface Transportation Reauthorization

TITLE I—FEDERAL-AID HIGHWAYS

Subtitle A—Authorizations and Program Conditions

Authorizes $257.5 billion in Highway Trust Fund (HTF) contract authority for federal highways from FY 2022 through FY 2025: Sec. 1101 would authorize $257.4 billion in HTF contract authority for federal-aid highways over four years from FY 2022 through FY 2025. These funds would be apportioned to states through nine federal-aid highway programs: the Railway-Highway Crossing Program (commonly known as Section 130), the Surface Transportation Program (STP; formerly Surface Transportation Block grant program), the Highway Safety Improvement Program (HSIP), the National Highway Performance Program (NHPP), metropolitan planning activities, the Carbon Pollution Reduction Program, the Pre-disaster Mitigation Program, the Congestion Mitigation and Air Quality Improvement Program (CMAQ) and the National Highway Freight Program (NHFP). The contract authority would be authorized at the following levels over four fiscal years:

- **$55.02 billion** in FY 2022
- **$55.98 billion** in FY 2023
- **$57.10 billion** in FY 2024
- **$58.12 billion** in FY 2025

This section would also authorize appropriation levels for several other programs that are outlined later in the bill.

Increases financing opportunities for counties: Sec. 1101 would provide $300 million annually for USDOT's Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program, equal to the amount authorized for the program in the fifth and final year of the current law, from FY 2022 through FY 2025. This would provide an increase of $65 million for TIFIA over the life of the bill.

Counties support innovative financing mechanisms, including TIFIA, that would allow local governments and transportation authorities, such as counties, to leverage federal financing for capital projects.

Amends specifications for roadway design: Sec. 1107 would direct USDOT to revise roadway design standards, in conjunction with the American Association of Highway Transportation Officials (AASHTO), to bring into consideration all users of the transportation network, including pedestrians, cyclists and public transit users. It would provide design flexibility to local governments for projects off the National Highway System (NHS) at the approval of USDOT. Counties could use federal and state metropolitan planning funds to carry out any necessary activities.

Increases federal share for counties using innovative construction materials: Sec. 1108 would expand projects eligible for an up to 100 percent federal cost share to include those using "prefabricated bridge elements, innovative materials, and other technologies to reduce bridge construction time, extend service life, and reduce preservation costs" and also those utilizing materials that would reduce greenhouse gas emissions.

Requires states to run competitive grant process for counties: Sec. 1109 would prevent a state from transferring Transportation Alternatives Program (TAP) funds to other federal highway programs unless it first runs a competitive process to award the funds made available to be sub-allocated to local governments and is subsequently unable to do so. Under current law, a state may transfer up to 50 percent of its TAP funds to the NHPP, NHFP, STBGP, HSIP or CMAQ.

This section would also prevent a state from transferring Section 130 funds unless it can demonstrate that protective devices have been installed at all at-grade rail-highway crossings.

Due to continued federal and state underinvestment, 80 percent of at-grade rail-highway crossings in rural counties lack proper signage and/or adequate warning devices, leading to a 39 percent higher rate of fatalities at these crossings when compared to their urban counterparts. (Source: USDOT Rural Transportation Statistics)

Subtitle B—Programmatic Infrastructure Investments

Emphasizes transportation infrastructure states of good repair (SOGR): Sec. 1201 would revise the National Highway Performance Plan (NHPP) to require states to address SOGR needs as identified in a statewide transportation asset management plan before adding new capacity. It would also require a state, prior to installing additional lanes for single occupancy vehicles, to evaluate if an operational improvement or transit project would be more cost efficient. It would also expand NHPP eligibility for projects that enhance resiliency, improve evacuation routes, mitigate wildlife interactions and reduce carbon emissions. Finally, it would require states to consider climate change in the development of transportation plans.

Creates new, $6.25 billion pre-disaster mitigation program; requires consultation with counties: Sec. 1202 would mandate that states and Metropolitan Planning Organizations (MPOs) include mitigation strategies for climate change in long-range transportation plans, as well as vulnerability assessments for critical transportation assets and/or those repeatedly damaged by natural disasters. States and MPOs would be required to consult with counties in identifying assets in need.

This section would also establish a new pre-disaster mitigation program, funded through apportionments to states at $6.25 billion over the life of the bill, that could be used to construct natural infrastructure or other protective features, to relocate assets repeatedly damaged by disasters or to address other vulnerabilities.

Counties believe that our federal partners should work to strengthen efforts to provide funding to state and local governments to protect and make more resilient our national critical infrastructure and, subsequently, our national economy.

Extends period for counties to carry out emergency relief (ER) projects: As amended, Sec. 1203 would extend the current two-year period that counties have to advance projects to the construction stage using Federal Highway Administration (FHWA) ER funds to six years.

Counties support extending the time period from two to six years in order to allow entities using FHWA ER funds adequate time to advance projects to the construction obligation stage.

Creates new, standalone program for at-grade rail-highway crossings: Sec. 1204 would establish a standalone program, based on Section 130, to address at-grade crossings using FHWA funds with a federal cost share of up to 90 percent. It would apportion funds to states to carry out the following projects at at-grade crossings: to eliminate hazards; to construct protective devices; to carry out projects and/or implement strategies that prevent or reduce injuries and fatalities; to carry out projects that mitigate the loss of accessibility due to a crossing closure; to make bike and pedestrian improvements; or to complete other at-grade improvements currently eligible for funding under the Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program.

Counties support Congress providing additional funding to local governments, states and railroads to improve grade crossings and separations to allow for safer interactions between road and rail traffic.

Increases sub-allocated local share of the Surface Transportation Program (STP): Sec. 1205 would, first, return the name of the Surface Transportation Block Grant program to the Surface Transportation Program (STP)), as it was prior to its change in the 2015 FAST Act. As amended, this section would increase the amount that a state must sub-allocate from its STP funds to local governments the following ways over five years:

- **55 percent** in FY 2021 (continuation of current law)
- **57 percent** in FY 2022
- **58 percent** in FY 2023
- **59 percent** in FY 2024
- **60 percent** in FY 2025

Additionally, this section would revise STP sub-allocations to include four population segments, up from three in current law, thereby providing mid-size counties with populations between 50,000 and 200,000 greater control over project selection. To increase transparency, this section would require states to establish a process to coordinate with MPOs representing urbanized areas and to describe how funds will be allocated to urbanized areas between FY 2022 and FY 2025. It would also require a state, before obligating funds to counties of 50,000 or below, to consult with any regional transportation planning organizations that represent the area. This section would establish a new technical assistance program for counties over 200,000 to facilitate successful project delivery. Finally, as amended, it would ensure that funds for communities below 5,000 receiving funds could use those funds on local roads.

Compared to the $11.29 billion provided for STBGP/STP in FY 2020 in the FAST Act that would also carry over for FY 2021 (plus additional funds from Sec. 102), the INVEST in America Act would grow the program to provide the following funding levels over four years (after the transportation alternatives set-aside):

- **$13.14 billion** in FY 2022
- **$13.37 billion** in FY 2023
- **$13.64 billion** in FY 2024
- **$13.89 billion** in FY 2025

Investing $134 billion annually in the construction of transportation infrastructure and the operation and maintenance of public works, counties strongly support increased flexible and dedicated federal funding opportunities for locally owned infrastructure.

Increases funding for off-system bridges to roughly $1 billion annually: Sec. 1205 would increase the off-system bridge-set aside to 20 percent of STP funds made available for any area of the state in FY 2020. Under current law, a state must set-aside 15 percent of the amount it received for the no-longer-existent Highway Bridge Program in FY 2009, which comes to about $777 million annually. This change to the set-aside would result in approximately $1 billion annually for bridges located off the National Highway System, the majority of which are both county-owned and in poor condition.

Counties own 62 percent of the nation's off-system bridges that are generally ineligible for federal-aid highway funds.

Provides for up to 100 percent sub-allocation to counties for transportation alternatives projects: Sec. 1206 would create a 10 percent set-aside within STP to fund the Transportation Alternatives Program (TAP). It would increase the amount of TAP funds a state must allocate to counties from 50 to 66 percent and would allow a state to transfer up to 100 percent of TAP funds to counties and other local governments upon submission and approval by USDOT of a plan outlining how the funds would be used.

This section would also make MPOs serving areas less than 200,000 eligible for the program. Under current law and the INVEST in America Act, counties can use TAP funds for a wide variety of projects that focus on promoting non-motorized aspects of transportation, including sidewalk projects, bike and pedestrian paths, lighting and safety-related infrastructure, safe routes to schools and historic preservation, among others.

As amended, this section now explicitly states in addition to "a unit of local government", that counties and multi-county special districts are eligible for TAP funds.

Facilitates bridge bundling: Sec. 1207 would remove the prohibition against using multiple federal funding sources to bundle bridge projects. It would require a state to spend no less than 20 percent of its two largest apportioned highway programs on projects that improve the state of good repair, safety, efficiency or reliability of bridges through a variety of eligible projects; however, a state would have over the life of the bill to meet this goal.

Counties own and maintain nearly 40 percent of the National Bridge Inventory, over half of which are considered structurally deficient and in need of repair.

Enhances highway safety, strengthens intergovernmental partnership: Sec. 1209 would require a state to consult with local and regional partners to develop a vulnerable road user safety assessment as part of its highway safety plan. Vulnerable road users would include bicyclists and pedestrians, with the goal of identifying high risk corridors and installing appropriate safety countermeasures to protect these users.

It would also establish a "safe system approach" for roadway designs, defined as one that minimizes the risk of injury or death to all road users by considering the likelihood of human error, the tolerance of the human body to withstand impacts and vulnerable users of the road.

Counties support the requirement that states develop and update State Strategic Highway Safety Plans in an effort to reduce accidents and fatalities on our nation's roads and believe states should be required to, at a minimum, cooperate with local government officials in the development of these plans.

Alters high-risk rural roads special rule: Sec. 1209 would amend the High-Risk Rural Road (HRRR) special rule to require a state where, following the most recent two-year period for which data is available, the rate of fatalities exceeds the median fatality rate for rural roads among all states, to obligate 7.5 percent of its FY 2020 HSIP apportionment to address the HRRR over the two following fiscal years.

Under current law, a state must obligate 200 percent of its FY 2009 HRRR set-aside to address these often-dangerous rural roads when the rule is triggered after the same two-year period. For some states, this change will decrease the amount required to be obligated to HRRRs should the rule be triggered; for others, it will increase.

This section would also delay the required obligation of funds by a state until the following fiscal year and allow the state to obligate the required amount over two fiscal years. Under current law, a state must obligate all HRRR special rule funds in the fiscal year when the rule is triggered. If any funds remain in the following fiscal year, those too must be obligated to the HRRR by the state.

This section would create an additional rule for states to address the needs of vulnerable transportation users, to include pedestrians and cyclists, where following the most recent two-year period for which data is available, the rate of injuries and fatalities exceeds the median injury and fatality rates among all states. If this rule was triggered under the INVEST in America Act, a state would be required to obligate 50 percent of its STP set-aside within STP (currently STBGP, 23 U.S.C. 133) over the following two fiscal years.

Finally, Sec. 1209 would direct USDOT to update its study and best practices on HRRRs first conducted in P.L. 112-141, *the Moving Ahead for Progress in the 21st Century (MAP-21) Act*, not later than two years after the date of the bill's enactment.

Counties support programs that target the rehabilitation of critical elements of the transportation system in our aging regions and communities, including high-risk rural roads.

Codifies Safe Routes to School program: Sec. 1215 would codify certain elements of the Safe Routes to School Program originally created by P.L. 109-59, *the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users* (SAFETEA-LU). States could use TAP and HSIP funds to deliver eligible projects that improve the ability of students to walk and bike to school, including sidewalk improvements, speed reductions, pedestrian crossings, bike parking facilities and traffic diversion improvements near schools. Projects under this section could be carried out by a county on any public road, path or trail within roughly two miles of a school, at a 100 percent federal share.

Subtitle C— Project-Level Investments

Authorizes over $10.05 billion for Projects of National and Regional Significance program (formerly INFRA): Sec. 1301 would rename the INFRA grant program and authorize over $10 billion over the life of the INVEST in America Act to complete large highway, transit and rail megaprojects that would reduce congestion on roadways but that cannot typically be funded through traditional sources. In comparison to current law, this would represent an increase of $5.5 billion; in comparison to the Senate's ATIA, a $7.5 billion increase. Counties, groups of counties, MPOs and regional councils could apply directly to USDOT for these funds, which would be delivered over the life of the bill with $1 billion carried over from FY 2021; $2.2 billion provided in FYs 2022 and 2023; $2.3 billion in FY 2024; and $2.35 billion in FY 2025. Project awards would be no less than $25 million for projects with projected costs of over $100 million. This section would also allow USDOT to enter into multi-year agreements. for large projects.

Authorizes $600 million annually for new local infrastructure grant program; creates rural set-aside: Sec. 1302 would create the Community Transportation Investment discretionary grant program designed to support local governments with infrastructure projects that improve safety, states of good repair, accessibility and environmental stewardship. Eligible recipients include counties, public transit agencies, MPOs and regional councils. It would also create an award ceiling of $25 million for a single grant and reserve 25 percent of funds for rural areas, which are defined in the bill as all areas of a state outside of urbanized areas. It would also require USDOT to submit a list of potential project candidates for consideration to Congress prior to making awards under this section.

Authorizes $350 million for new electric vehicle infrastructure grant program: Sec. 1303 would create a new grant program, funded at $350 million over FY 2022 through 2025, for which counties could directly apply to USDOT for projects that would deploy electric vehicle charging infrastructure along designated alternative fuel corridors, to be funded at an 80 percent federal share.

Authorizes $250 million for new climate grant program for counties: Sec 1304 would create the Community Climate Innovation discretionary grant program, funded at $250 million over FY 2022 through 2025, for which counties could apply directly to USDOT to support local projects and community efforts that reduce greenhouse gas emissions.

Authorizes $750 million directly to MPOs for local projects: Sec. 1305 would authorize $750 million ($250 annually from FY 2023 through 2025) in direct allocations to MPOs to advance locally selected projects. It would require USDOT to publish a Notice of Funding Opportunity (NOFO) no later than April 1, 2022. Each direct recipient would receive no less than $10 million and no more than $50 million.

Counties support increased opportunities for participation in local, regional and statewide transportation planning processes and believe local and/or regional transportation planning organizations, such as MPOs, should be made up of a majority of local elected officials.

Authorizes $250 million for new congestion reduction grant program for MPOs, large counties: Sec. 1306 would authorize $250 million in FY 2022 for which counties with populations over one million, groups of counties, MPOs and mixes of both would be eligible to apply for projects that would seek to reduce gridlock in large metropolitan areas. 50 percent of funds would be dedicated to freight projects, including first and last mile solutions. Projects under this section would be awarded at a 60 percent federal match.

Counties support increasing, and expanding local control over, funding to urban and suburban counties to address congestion.

Authorizes $250 million for new rural infrastructure grant program: Sec. 1307 would establish the Rebuild Rural grant program funded at $250 million in FY 2022 to support rural infrastructure investments through projects that focus on improving safety, states of good repair and access to employment opportunities and critical services that support rural economies. Counties would be able to apply directly for these grants, which would be capped at $25 million per award with an 80 percent federal share. Other federal funds could be used toward the 20 percent local match.

Rural roads make up over 70 percent of the national transportation network. 44 percent of traffic on rural roads is actually a trip being taken by an urban citizen.

Authorizes $250 million for new truck parking grant program: Sec. 1308 would authorize a new grant program funded at $250 million in FY 2023 for which counties could apply directly for through USDOT to address the shortage of safe and efficient parking opportunities for commercial vehicles. Funds could be used to construct parking facilities, open existing rest areas and inspection and weigh stations to commercial vehicles, facilitate access to parking through intelligent transportation systems and make capital improvements to commercial vehicle parking facilities, among several other eligible uses.

It would also explicitly allow for the use of public-private partnerships for carrying out projects under this section.

Counties support policies to allow public-private partnerships (P3s) on federal Rest Areas and to ensure that federal laws do not prevent rest areas and other safety initiatives along highways from flourishing that will benefit travelers nationwide and bring much needed revenue to local economies and budget relief to state Departments of Transportation (DOTs).

Authorizes $250 million for new active transportation grants: Sec. 1309 would create a new, $250 million grant program for FY 2024 to increase active transportation opportunities, including walking and biking. Counties could apply directly to USDOT for these funds that could be used for projects costing no less than $15 million to improve the connectivity of active transportation networks and to further encourage active transportation by creating an interconnected network of facilities that promote non-motor transportation opportunities. Projects would be funded with an 80 percent federal share, with the option to use other federal funds to satisfy the 20 percent local match.

Subtitle D—Planning, Performance Management, and Asset Management

Revises MPO planning and designation processes: Sec. 1401 would require MPOs to consider carbon emissions and climate change as part of the transportation planning process. It would revise future processes for MPO designations by requiring consideration to ensure "equitable and proportional representation of the population of the metropolitan planning area" on the MPO, without restructuring any existing bodies, and would ensure consultation between MPOs that represent the same urbanized area.

Creates intergovernmental transportation working group to evaluate access to transportation systems: Sec. 1403 would require USDOT to establish a new working group, within 120 days of the bill's enactment, to evaluate progress toward national performance goals and measures. The working group would consist of counties and other local governments, state and federal partners and additional public and private stakeholders. The group would be tasked with submitting a report to Congress no later than one year following the establishment of the group with recommendations around establishing measures that states and MPOs could use to assess the level of access to transportation systems for individuals to various modes of travel. The section would then require USDOT to promulgate rulemaking based on these recommendations no later than two years after the submission of the report by the working group, at which time the working group would terminate.

Counties believe a coordinated and balanced transportation system supports the interrelationship and connectivity of transportation infrastructure and services across all levels of government, including county, municipal, state and federal transportation assets.

Subtitle E—Federal Lands, Tribes, and Territories

Authorizes $800 million annually for the Tribal Transportation Program (TTP): Sec. 1502 would authorize $800 million per year in contract authority from the Highway Trust Fund (HTF) for the TTP. It would allow funds to be used to construct new bridges, improve safety and public awareness around transportation and to better enforce highway safety laws within tribal nations. States, local governments and tribes would be eligible to enter into contracts with USDOT and the U.S. Department of the Interior (DOI) to carry out eligible projects that would include transportation planning, construction, maintenance, rehabilitation, installing signage, carrying out environmental mitigation and constructing parking areas, among others.

Authorizes $50 million annually for tribal high priority projects: Sec. 1503 would authorize the Tribal High Priority Projects program, funded at $50 million annually from the HTF, for grants to address the most immediate transportation infrastructure needs for tribes whose annual transportation funding is inadequate to meet community needs. States, local governments and tribes would be eligible to enter into contracts with USDOT and DOI to carry out these projects.

Authorizes $400 million annually for Federal Lands and Tribal Major (FLTM) Projects program: Sec. 1505 would authorize the FLTM (formerly the Nationally Significant Federal Lands and Tribal Projects program), funded at $400 million annually from the HTF. Counties would have to be sponsored by a tribe or federal land management agency to be eligible for funding under this section. Funds could be used to carry out planning, analyses, environmental reviews, design and other pre-construction activities, as well as construction and rehabilitation projects.

Creates USDOT Office of Tribal Government Affairs: Sec. 1506 would establish an Office of Tribal Government Affairs at USDOT and create an Assistant Secretary for Tribal Government Affairs position to oversee the administration of tribal transportation programs and to provide technical assistance to tribes.

Subtitle F—Additional Provisions

Allows use of block grant and highway safety funds for Vision Zero planning: Sec. 1601 would allow states to use Highway Safety Improvement Plan (HSIP) or Surface Transportation Program (STP) funds to support a local government or local planning organization in establishing a towards zero death transportation plan with the goal of significantly reducing or eliminating traffic-related injuries and fatalities.

Directs USDOT to study and update state and local rules governing speed limits: Sec. 1602 would direct USDOT to review and update rules for state and local governments to require the use of a "safe system approach" in setting speed limits that are consistent with recommendations from the National Traffic Safety Board. USDOT would have to submit updated requirements within one year of the bill's enactment.

Deploys broadband infrastructure; requires consultation with counties: Sec. 1603 would implement requirements for states to create a process for broadband deployment. It would also create a "Dig Once" task force that would be required to consult with counties in developing a report for Congress that would analyze the estimated annual cost for a national dig once requirement and options for funding such a requirement.

Counties strongly support legislation and administrative policies that help counties rapidly expand public-private partnerships and to attract affordable, abundant, redundant and reliable high-speed broadband services that meet or exceed federal broadband speed definitions regardless of population or technology used.

Commissions study on stormwater management best practices: Sec. 1605 would jointly authorize USDOT and the U.S. Environmental Protection Agency (EPA) to commission a Transportation Research Board study on stormwater runoff best practices to be submitted to Congress no letter than 18 months after the date of the bill's enactment and updated every five years thereafter. It would further require USDOT to update its own management practices regarding runoff pollutants and contaminants.

Counties support using federal funding of a comprehensive stormwater research program to determine the impact of stormwater on overall water quality.

Directs USDOT to consult with counties on highway formula modernization study: Sec. 1607 would direct USDOT to consult with the American Association of State Transportation Officials (AASHTO) and local governments to conduct a study of how federal-aid highway dollars are currently apportioned through 23 U.S.C. 104 and make subsequent recommendations around improvements in a report to Congress no later two years after the bill's enactment.

Enhances work zone safety: Sec. 1608 would increase funding from $3.5 million to $4 million over FY 2022 through 2025 to carry out Operation Lifesaver (rail safety nonprofit), fund work zone safety grants (nonprofits and not-for-profits are eligible who then provide training to local governments, local/regional transit and transportation agencies, etc.) and operate safety-related clearinghouses. It would also clarify that projects completed under this section would be done so at a 100 percent federal share.

Makes local safety training eligible for funding: Sec. 1612 would make direct educational and training expenses "related to the work zone safety training and certification of employees of state and local transportation agencies" eligible for funding from a state's NHPP or CMAQ apportionment, subject to approval by USDOT.

Creates intergovernmental working group to examine availability of certain construction materials: Sec. 1614 would establish a working group to be made up of state, local and tribal officials and other public and private transportation industry stakeholders to assess the use, availability and challenges of covered resources – defined in the legislation as "common variety materials used in transportation infrastructure construction and maintenance, including stone, sand, and gravel" – in federally funded transportation projects. Not later than two years after the group is established, it would be required to submit findings and recommendations on how to reduce costs and environmental impacts on the transportation construction supply chain to USDOT, who would subsequently be required to submit a report with the recommendations to Congress no later than three months after receiving the group's assessments.

Maintains overall heavy truck weight limits: Sec. 1631 would allow for the amount of weight to increase on a single axle of a heavy truck carrying "dry bulk goods" by up to 110 percent. This section would not increase the overall weight limit for heavy trucks, nor would it affect existing bridge formulas.

Counties believe adequate federal funding should be provided to compensate state and local governments for any infrastructure upgrades necessary to accommodate the vehicle size, weight and configurations mandated by Congress. We strongly oppose any increases in truck size or weight until Congress requires a fully-funded, holistic impact analysis that any increases may have on the national transportation system and especially our local roads, including the added cost on state and local governments.

Subtitle G—Transit-Supportive Communities

Establishes new Transit Oriented Development Planning grant program: Sec. 2701 would create a new competitive grant program for which counties could apply directly to USDOT for financial assistance in planning for projects that have the potential to enhance economic development, facilitate multimodal connectivity, increase access to transit hubs for non-motorists and include private sector participation, among others. Projects under this section would be completed at an 80 percent federal share.

Counties are supportive of new financial resources for projects that support economic development and transit connectivity in our communities.

Authorizes transfer of assets to local governments: Sec. 2702 would allow a recipient of transit formula grants to transfer an asset to a local government including a county that it deems is no longer needed for transit oriented development projects, so long as at least 15 percent of housing units would be offered as affordable housing, and that the asset would remain in public use for the following five years.

Provides incentives for housing through Capital Investment Grants (CIG): Sec. 2703 would direct USDOT to favorably weigh applications for projects from CIG sponsors that preserve or encourage affordable housing nearby. Counties are eligible to apply directly to USDOT for CIG funds. It would also allow a local government to use funds from the U.S. Economic Development Administration Public Works grant program or the U.S. Department of Housing and Urban Development Community Development Block Grant (CDBG) program to satisfy the local match requirement.

Counties appreciate the additional financing flexibilities for counties pursuing affordable housing projects.

Allows property disposition for affordable housing development: Sec. 2702 of the legislation would allow a transit grantee to transfer property no longer needed to a local government authority including a county, non-profit, or other third party for the purpose of transit-oriented development projects, so long as at least 15 percent of the housing units developed be offered as affordable housing. Federal interest on those assets would be released.

Provides new incentives for the construction of affordable housing: Sec. 2703 would direct USDOT to favorably weigh applications for projects from capital investment grant (CIG) sponsors that preserve or encourage affordable housing nearby. Counties would be eligible to apply directly to DOT for CIG funds. Sec. 2703 would also allow a local government to use funds from the U.S. Economic Development Administration (EDA) Public Works grant program or the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) program to satisfy the local match requirement.

Counties appreciate the new incentives for construction of affordable housing projects.

TITLE II—PUBLIC TRANSPORTATION

Subtitle A—Federal Transit Administration

Authorizes $76.44 billion from the Highway Trust Fund (HTF) for mass transit: Sec. 2101 would authorize a total of $76.44 billion in contract authority from the HTF's mass transit account over FY 2022 through 2025 for public transit. This would follow a carry-over of $10.15 billion (plus an additional $5.79 billion Division A funds) from FY 2020 for FY 2021. In comparison to current levels set in the FAST Act, this represents an increase of roughly 57 percent. The $76.44 billion would be divided in the following ways:

- **$16.19 billion** for FY 2022
- **$16.34 billion** for FY 2023
- **$16.70 billion** for FY 2024
- **$16.96 billion** for FY 2025

The amounts would flow through new and existing formula programs to local and regional transit agencies in the following ways:

FTA FORMULA GRANT	FY 2022	FY 2023	FY 2024	FY 2025
5305 (planning)	$189.88 million	$192.84 million	$195.93 million	$199 million

5307 (urban)	$7.51 billion	$7.62 billion	$7.74 billion	$7.87 billion
5308 (clean fuels)	$101.51 million	$109.09 million	$104.74 million	$106.39 million
5310* (mobility for seniors and disabled individuals)	$434.83 million	$441.61 million	$448.68 million	$445.72 million
5311* (rural)	$1.03 billion	$1.04 billion	$1.06 billion	$1.07 billion
5312* (innovation)	$33.50 million	$34.02 million	$34.57 million	$35.11 million
5314* (technical assistance and workforce)	$23.35 million	$23.71 million	$24.09 million	$24.47 million
5318 (bus testing)	$5.08 million	$5.15 million	$5.24 million	$5.32 million
5328* (intermodal)	$30.45 million	$30.93 million	$31.42 million	$31.91 million
5335 (national transit database)	$4.06 million	$4.12 million	$4.19 million	$4.26 million
5337 (state of good repair)	$4.19 billion	$4.27 billion	$4.34 billion	$4.42 billion
5339(a)* (bus formula grants)	$1.24 billion	$1.26 billion	$1.28 billion	$1.30 billion

5339(b) (bus competitive grants)	$437.08 million	$424.75 million	$387.94 million	$351.10 million
5339(c) (low or no emissions)	$375 million	$400 million	$450 million	$500 million
5340(c) (growing states)	$309.90 million	$309.90 million	$309.90 million	$309.90 million
5340(d) (high density)	$277.44 million	$277.44 million	$277.44 million	$277.44 million
**funds would be further obligated*				

Authorizes funding for Capital Investment Grants (CIG): Sec. 2101 would also authorize appropriations for CIG at the following levels over the life of the bill: $3.5 billion in FY 2022; $4.25 billion in FY 2023; $5 billion in FY 2024; and $5.5 billion for FY 2025. Under current law and the INVEST in America Act, counties are eligible to apply directly to USDOT for CIG funds.

Subtitle B—Improving Frequency and Ridership

Creates new competitive grant program to increase ridership for public transit systems: Sec. 2201 would create a new competitive grant program, funded at $100 million annually, to increase ridership by redesigning streets in a way that would facilitate more efficient movement of people in major urban areas. Eligible applicants would be counties or other entities who receive 5307 transit formula funds and are located in an urbanized area with a population of greater than 500,000. Projects would be funded at an 80 percent federal share.

Counties believe Congress should provide funds, in partnership with state and local governments, to improve existing public transportation systems and to establish new transit systems where needs and benefits have been determined by local elected officials.

Revises urban transit incentive formula: Sec. 2202 would, beginning in FY 2023, adjust the base for the current urban transit incentive formula away from low operating costs and instead to the number of vehicles per hour during peak service in the highest 25 percent routes of ridership.

Counties support full funding of the urbanized area formula grant program at historic levels for both capital and operating assistance.

Revises rural transit formula: Sec. 2204 would revise the rural transit formula's base to the following: 15 percent based on rural land area; 50 percent based on rural population; 25 percent based on vehicle revenue miles; and 10 percent based on the state's share of low-income individuals. It would also allow in-kind contributions to be accepted in lieu of providing local funds to meet matching requirements.

Creates new competitive grant program for counties with paratransit services: Sec. 2205 would create the One-Stop Paratransit competitive grant program to examine the costs, benefits and obstacles to allowing flexibility in paratransit trips. This would include making stops to drop off or pick up children and brief trips to pharmacies, grocery stores or banks. Counties with paratransit services could apply to USDOT who would then select 15 participants, made up of five eligible applicants that serve populations between 50,000 and 200,000, ten eligible applications that serve populations over 200,000 and five eligible applicants that serve rural communities. Participants would evaluate their ability to maintain a one-stop paratransit service, in comparison to those with fixed routes. Grants made under this section would cover costs associated with making additional stops.

Counties support increased funding to the small urban and rural public transportation programs.

Subtitle C— Buy America and Other Procurement Reforms

Prevents the transition to autonomous buses: Sec. 2302 would prevent USDOT from obligating any funds to be used in support of a transition to autonomous buses or shuttles. Specifically, the legislation would prevent any funds from going toward "any alternative design or manufacture specification of a bus offered by a manufacturer."

Counties support making road congestion mitigation a top priority by exploring, implementing and funding automated shuttles and transit network systems for congestion mitigation.

Subtitle D—Bus Grant Reforms

Revises formula grants for buses: Sec. 2401 would alter current formula to remove eligibility for low emission vehicles and revise the program so that only no emission vehicles would be eligible for transit formula fund funds under 49 U.S.C. 5339(a).

Removes eligibility to buy or lease buses under competitive bus program: Sec. 2402 would modify the competitive bus program by removing eligibility for replacing, rehabilitating, purchasing or leasing buses and related equipment to allow only for projects to complete large, one-time needs for bus garages, stations or fleet expansions. Priority would be given to older facilities, those in need of resiliency improvements and those with existing multimodal connections at stations.

Creates additional planning requirements for local transit agencies around bus emissions: Sec. 2403 would set procurement requirements to ensure local transit agencies are investing in zero-emission bus fleets and infrastructure. This section would require a transit agency to plan for both transitioning toward long term zero-emission needs, as well as a study examining the costs and necessities associated with transitioning a fleet.

Creates new subgrant with bus formula for aging buses: Sec. 2404 would create a subgrant through 49 U.S.C. 5339 to provide additional rolling formula funding for transit agencies with the oldest buses.

Subtitle E—Supporting All Riders

Amends urban transit formula for low-income populations: Sec. 2501 would revise the formula to base funding on the following: 50 percent for urbanized areas with populations of 200,000 and above (down from 75 percent); 12.5 percent for urbanized areas below 200,000 (down from 25 percent); 30 percent for communities above 200,000 based on their share of the number of individuals residing at a poverty rate of at least 20 percent for the preceding five years; and 7.5 percent for communities below 200,000 based on their share of the number of individuals residing at a poverty rate of at least 20 percent for the preceding five years.

Requires states to distribute transit funds to persistent poverty counties: Sec. 2502 would require that $50 million annually be set-aside through rural transit formula grants (5311) to improve transit in rural areas with persistent poverty, which is defined in the bill as a county with a poverty rate above 20 percent since 1990.

Creates new grant program for low-income riders: Sec. 2503 would create a new demonstration program to provide low-income riders with reduced fares and subsequently fund a study, in collaboration with a University Transportation Center, on the program's effectiveness at increasing ridership among low-income transit users. A county or local or regional public transit agency would be eligible to apply directly for these funds through USDOT.

Subtitle F— Supporting Frontline Workers and Passenger Safety

Requires local transit agencies to form safety committees: Sec. 2602 would require that local transit agencies expand their plans to increase focus on passenger and personnel injuries, assaults and fatalities. It would also require that a joint labor-management safety committee, made up of equal numbers of representatives from an employer or state and a labor organization, be formed to approve the safety plan.

Further prohibits public transit agencies' use of automated vehicles: Sec. 2603 would further clarify that transit agencies are prohibited from deploying automated vehicles in place of any existing transit service. It would require any transit agency considering transitioning toward automation to develop a comprehensive workforce plan on how it will affect employees.

Establishes performance-based metrics for transit personnel: Sec. 2604 would establish four performance-based safety metrics for transit agencies: passenger and workforce injuries by total revenue vehicle miles attributed to rail; passenger and workforce fatalities by total revenue vehicle miles attributed to rail; passenger and workforce injuries by total revenue vehicle miles attributed to buses; and passenger and workforce fatalities by total revenue vehicle miles attributed to buses. It would then require transit agencies serving urbanized areas with populations above 200,000 who exceed one of the established metrics to allocate 2.5 percent of urban area transit funds (5307) over the next two fiscal years toward an eligible project that is "reasonably likely to reduce injuries and fatalities identified in a reported exceeded metric, including state of good repair projects, increased safety inspections, modifications to rolling stock, and de-escalation training." It would also require transit agencies serving urbanized areas with populations below 200,000 who exceed the metric regarding passenger and workforce injuries to allocate 2.5 percent of urban area transit funds (5307) over the next two fiscal years.

Subtitle G—Transit-Supportive Communities

Establishes new Transit Oriented Development Planning grant program: Sec. 2701 would create a new competitive grant program for which counties could apply directly to USDOT for financial assistance in planning for projects that have the potential to enhance economic development, facilitate multimodal connectivity, increase access to transit hubs for non-motorists and include private sector participation, among others. Projects under this section would be completed at an 80 percent federal share.

Authorizes transfer of assets to local governments: Sec. 2702 would allow a recipient of transit formula funds who has acquired an asset using, at least in part, federal funds under this chapter to transfer an asset to a local government should it deem it no longer needed, granted that the asset would remain in public use for the following five years and that at least 15 percent of housing units would be offered as affordable housing.

Provides incentives for housing through Capital Investment Grants (CIG): Sec. 2703 would direct USDOT to favorably weight applications for projects from CIG sponsors that preserve or encourage affordable housing nearby. Counties are eligible to apply directly to USDOT for CIG funds. It would also allow a local government to use funds from the Economic Development Administration Public Works grant program or the U.S. Department of Housing and Urban Development Community Development Block Grant program to satisfy the local match requirement.

Subtitle J—Streamlining

Seeks to balance transit and highway project approval processes: Sec. 2911 would make various changes to the CIG program approval process, including increasing the cap for Small Starts projects to $320 million, making station expansion eligible for core capacity projects, increasing the time projects have to move through the engineering phase to three years and reestablishing that projects performed under this section would be done so at an 80 percent federal share, among several others.

TITLE III—HIGHWAY TRAFFIC SAFETY

Authorizes $4.3 billion for highway safety: Sec. 3001 would authorize $4.3 billion in Highway Trust Fund contract authority for the National Highway Traffic Safety Administration for FY 2022 through FY 2025.

TITLE IV—MOTOR CARRIER SAFETY

Subtitle A—Motor Carrier Safety Grants, Operations, and Programs

Authorizes $2.2 billion funding for truck safety: Sec. 4101 would authorize $2.2 in Highway Trust Fund contract authority for the Federal Motor Carrier Safety Administration (FMCSA) for FY 2022 through FY 2025.

Subtitle C—Commercial Motor Vehicle Driver Safety

Requires FMCSA review of Hours of Service (HOS) rule: Sec. 4306 would direct FMCSA to conduct a study on the current HOS regulations. It would also prohibit FMCSA from expanding duty time for commercial truck drivers until after a review is conducted by Congress.

Counties support exempting agricultural trucking activity from FMCSA's electronic logging devices and HOS rules.

Subtitle D—Commercial Motor Vehicle and School Bus Safety

Strengthens underride guard standards for heavy trucks: Sec. 4405 would direct USDOT to strengthen underride standards for heavy trucks within one year of the bill's enactment and to study the impacts of these protections on underride crashes at high speeds.

Counties support the continued requirement that all trucks have underride protection devices and believe that the USDOT should periodically review the adequacy of such regulations.

TITLE V—INNOVATION

Authorizes $2.2 billion for highway research programs: Sec. 5001 would authorize $2.2 billion in Highway Trust Fund contract authority for highway research and development programs from FY 2022 through FY 2025.

Subtitle A—Research and Development

Authorizes $144 million annually for highway research and development: Sec. 5101 would authorize $144 million annually for the Highway Research and Development program, for which counties are eligible to directly apply through USDOT to complete projects including enhancing highway safety and improving the reliability and resiliency of transportation infrastructure assets, among other project eligibilities.

Counties believe that the federal government, in cooperation with states, local governments and industry, should continue and expand research, development, and deployment programs that focus on new and existing modes of transportation, including but not limited to the development of reasonable, safe and cost effective low volume roads.

Creates a new program for local governments to propose research projects: Sec. 5105 would establish a new program for counties and other eligible entities to propose research projects directly to USDOT at any time, regardless of open solicitations.

Subtitle C—Emerging Technologies

Directs USDOT to study automated vehicles (AVs), creates intergovernmental working group: Sec. 5304 would direct USDOT to study how AVs interact with traditional road users, including bicycles and pedestrians. It would also create an intergovernmental working group made of up of representatives from the National Highway Traffic Safety Administration, state departments of transportation, counties and other local governments, transit agencies, metropolitan planning organizations, labor organizations, commercial vehicle representatives and safety groups representing vulnerable road users, among a variety of other public and private stakeholders outlined in the legislation. The group would be tasked with assisting in USDOT's study described above and forming recommendations, which USDOT would be required to submit to Congress within two years of enactment of the INVEST in America Act.

Subtitle D—Surface Transportation Funding Pilot Programs

Establishes vehicle miles traveled (VMT) pilot programs: Sections 5401 and 5402 would begin to address the pending insolvency of the Highway Trust Fund (HTF) by funding state- and federal-level VMT pilot programs, respectively, and directing any associated revenues to the HTF.

Counties support the long-term solvency of the Highway Trust Fund by considering revenue sources that will better capture all users of the nation's highways and account for all vehicles.

TITLE VI—MULTIMODAL TRANSPORTATION

Provides technical assistance for rural communities: Sec. 6007 would make rural communities outside of metropolitan or micropolitan statistical areas eligible for assistance from the National Surface Transportation and Innovative Finance Bureau, with the goal of providing these communities technical assistance and communicating "best practices and financing and funding opportunities to eligible entities." It would also direct the Bureau to work with the U.S. Department of Agriculture's Office of Rural Development, the U.S. Environmental Protection Agency's Office of Community Revitalization and other similar mission-oriented agencies that provide technical assistance for rural communities in providing the directed outreach.

Reinstates the Local Labor Hiring pilot program: Sec. 6008 would authorize a 2015 USDOT pilot program, to begin immediately upon the bill's enactment through its expiration on September 30, 2025, that would allow selected grantees of federal highway or transit funds – including counties – who choose to participate to use requirements in contracting that are based on social and/or economic factors. USDOT would then evaluate the use of these factors on the overall competitive bidding process.

TITLE VII—TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT (TIFIA)

Raises threshold for TIFIA projects: Sec. 7001 would raise the threshold for TIFIA projects from $75 million to $150 million, thereby streamlining the process for more applicants who would no longer be required to secure multiple credit rating agency opinions. It would further clarify that any proceeds from a TIFIA loan be eligible toward local match requirements of a project completed with federal highway or transit funds. This section would also increase the amount made available for USDOT to waive fees associated with small TIFIA projects (projects costs are less than or equal to $75 million) from not less than $2 million to not less than $3 million.

Division C—Hazardous Materials Transportation

TITLE I—AUTHORIZATIONS

Authorizes $347 million for the Pipeline and Hazardous Materials Safety Administration (PHMSA): Sec. 8101 would authorize $347 million for PHMSA from FY 2021 through FY 2025 to be appropriated in the following ways:

- **$67 million** for FY 2021
- **$68 million** for FY 2022
- **$69 million** for FY 2023
- **$71 million** for FY 2024
- **$72 million** for FY 2025

Counties support efforts to strengthen federal pipeline safety legislation and regulations that are necessary to improve the safety of natural gas and hazardous liquid pipeline operation, maintenance and public reporting.

Authorizes $9 million for local emergency responder training grants: Sec. 8101 would also authorize $1.8 million annually from FY 2021 through FY 2025 to carry out PHMSA's Assistance with Local Emergency Response Training (ALERT) grant program. Under current law, ALERT grants are funded with any funds that remain after awards are made for other existing hazardous material emergency preparedness grants, creating inconsistencies and inadequacies in the grant program that vary by fiscal year.

Counties support providing dedicated funding for the ALERT grant program.

Division D—Rail

TITLE I—AUTHORIZATIONS

Authorizes $29.3 billion for Amtrak: Sec. 9101 would authorize $29.3 billion in total appropriations for Amtrak's service corridors for FY 2021 through FY 2025. In comparison to current law, the INVEST in America's Amtrak total authorization level is a roughly 264 percent increase over the $8.05 billion provided for in the FAST Act. The $29.3 billion would be broken down in the following ways:

For Amtrak's northeast corridor:

- **$2.9 billion** in FY 2021
- **$2.7 billion** in FY 2022
- **$2.5 billion** in FY 2023
- **$2.5 billion** in FY 2024
- **$2.5 billion** in FY 2025

For Amtrak's national network:

- **$3.6 billion** in FY 2021
- **$3.4 billion** in FY 2022
- **$3.2 billion** in FY 2023
- **$3 billion** in FY 2024
- **$3 billion** in FY 2025

Counties support the continuation of federal subsidies to Amtrak at a level consistent with maintaining a reasonable level of service and to provide necessary capital improvements with appropriate accountability controls. However, we oppose using any transportation trust fund dollars to address Amtrak's financial problems.

Authorizes $7 billion for Consolidated Rail Infrastructure and Safety Improvement (CRISI) grants: Sec. 9101 would authorize $1.4 billion in annual appropriations for the Federal Railroad Administration's (FRA) CRISI grant program, representing an over 320 percent increase between the FY 2020 levels provided for in the FAST Act and the INVEST in America's Act proposed FY 2021 authorization for the program. Under both current law and the INVEST Act, counties can apply directly to USDOT for these funds that leverage local, state and private investments to boost a wide range of rail projects, including the implementation of positive train control, the elimination of highway-rail grade crossings, congestion mitigation, the repair or replacement of railroad assets and the overall enhancement of intercity passenger rail transportation.

Authorizes $20 million annually for rail restoration and enhancement: Sec. 9101 would also authorize $20 million annually to be appropriated from FY 2021 through FY 2025 for FRA's Restoration and Enhancement grant program, which is consistent with the levels provided for in each fiscal year of the FAST Act. Under both current law and the INVEST Act, counties can apply directly to USDOT for these funds that would cover personnel costs; diesel fuel or electric costs associated with powering a locomotive; station costs; and general administrative costs, among a wide variety of other eligible uses.

Creates new intercity rail grant program: Sec. 9102 would authorize the Passenger Rail Improvement, Modernization and Expansion (PRIME) grant program, funded at $3.8 billion annually from FY 2021 through FY 2025, for which counties would be able to apply directly for through USDOT. PRIME grants could be used to complete state of good repair and rail improvement and expansion projects with a federal cost share of up to 90 percent.

Decreases amounts reserved for rural areas within CRISI program: Sec. 9103 would reauthorize CRISI grants and decrease the amount of funds reserved for rural areas from 25 percent to 15. It also would remove the criteria prioritizing projects that require lesser federal shares.

Reauthorizes railroad rehabilitation financing program: Sec. 9104 would reauthorize the Railroad Rehabilitation and Improvement Financing (RRIF) program that provides direct loans and loan guarantees to finance the development of railroad infrastructure. Under both current law and the INVEST Act, counties can apply directly through USDOT for this financing that can be used to acquire, improve or rehabilitate rail components, yards and other facilities; to develop new facilities; to reimburse planning expenses incurred under this section; to refinance debt; or to finance other transit-related projects. This section would provide $30 million annually for USDOT to pay the credit risk premium associated with RRIF loans for local governments. Currently, RRIF loans may be used to finance up to 100 percent of a project with repayment periods of up to 35 years.

TITLE IV—COMMUTER RAIL POLICY

Requires rail carriers to act in good faith: Sections 9401 and 9402 would require that a rail carrier provide good faith consideration to a request from a commuter rail to use tracks and/or rights of way. It would provide for a public transportation authority to seek nonbinding mediation should a dispute with a rail carrier regarding a matter described under this section remain unresolved.

TITLE V—RAIL SAFETY

Subtitle A—Passenger and Freight Safety

Directs USDOT to study rail safety: Sec. 9507 would direct USDOT to study different elements of rail safety, including how it may be enhanced with appropriate signage.

Counties believe that rail safety is a critical issue for our communities and urges Congress to support improved rail safety with appropriate measures.

Mandates minimum crew size: Sec. 9509 would mandate a minimum two-person crew requirement for freight trains. It would make crew-size exemptions available for small and short line railroads and clarify that exemptions would not be available for long trains or those carrying hazardous materials.

Subtitle B—Grade Crossing Safety

Creates new, $2.5 billion grant program for counties to address at-grade crossings: Sec. 9551 would create a new grant program, funded at $2.5 billion total over the life of the bill and in the following ways over five fiscal years:

- **$450 million** in FY 2021
- **$475 million** in FY 2022
- **$500 million** in FY 2023
- **$525 million** in FY 2024
- **$550 million** in FY 2025

Counties would be able to apply directly to USDOT for these funds that could be used for the installation, repair or improvement of grade crossing separations; to eliminate at-grade crossings; or to plan, develop or carry out environmental mitigation activities related to a project eligible under this section. For projects costing more than $40 million, the federal share would be 65 percent; for projects costing less than $40 million, the federal share would be 85 percent. Not more than 50 percent of funds could be used for projects costing more than $100 million. Right-of-way owners would be responsible for 10 percent of the project's cost.

Counties support increasing safety through the creation of a new, federal discretionary grant program that provides funding opportunities for counties to eliminate dangerous at-grade rail-highway crossings.

Creates new rail safety public awareness grant program: Sec. 9552 would establish the Rail Safety Public Awareness grant program, funded at $5 million annually from FY 2021 through FY 2025, that counties could apply for directly through USDOT. Grant funds could be used for public education and media campaigns, school and driver education safety presentations and other related education efforts around rail safety. It would also require coordination between eligible entities and local governments, local law enforcement, first responders and rail carriers, as appropriate.

Addresses blocked crossings, establishes time limit: Sec. 9553 would mandate a 10-minute time limit for stopped freight trains blocking a public rail-highway crossing and authorize USDOT to impose penalties on trains not in compliance. USDOT could delegate this enforcement authority to states.

Sec. 9554 would direct USDOT to, no later than 18 months after the bill's enactment, develop and report to Congress a national strategy to address blocked crossings.

Sec. 9555 would make blocked crossings an eligible complaint that the public may make to a railroad under law.

Division E—Aviation

TITLE I—AIRPORT AND AIRWAY INFRASTRUCTURE

Authorizes $4 billion annually for the Airport Improvement Program (AIP): Sec. 10101 would provide $4 billion for AIP each year from FY 2021 through FY 2025. It would extend obligation authority for the use of AIP funds through FY 2025, two years past the Federal Aviation Administration's (FAA) current authorization (P.L. 115-254) that is set to expire in FY 2023.

A longstanding county priority, AIP provides funds for capital projects without the financial burden of debt financing; however, local matches are still required and depend on the airport size and eligible costs. With 34 percent of public airports controlled by counties, AIP provides crucial funding for local governments to maintain the nation's airport infrastructure.

Authorizes $17.5 billion in supplemental funding for airports: Sec. 10102 would authorize supplemental funding from the general fund for airports through direct grants based on passenger enplanement levels. These funds would have four set-asides: 3.5 percent for cargo airports; 4 percent for general aviation, reliever and non-primary airports; and 4.5 percent for projects that reduce emissions, improve resiliency of airport infrastructure assets or mitigate airplane noise, with a further requirement that 50 percent of funds made available for these projects would have to be used toward airport emissions reduction projects. Funds would be provided at the following levels over five years:

- **$3 billion** in FY 2021
- **$3.25 billio**n in FY 2022
- **$3.5 billion** in FY 2023
- **$3.75 billion** in FY 2024
- **$4 billion** in FY 2025

FY 2021 funds could be used for airport development projects, operations and a variety of measures associated with both recovering from the effects of and protecting the public from COVID-19, including janitorial series, technologies that help combat the spread of pathogens, staffing, paid leave, personal protective equipment, debt service payments, and rent and fee waivers for those businesses that lease spaces within the airport.

FY 2022 through FY 2025 supplemental funds could be used for any projects typically funded by Passenger Facility Charge revenues; development projects of an airport or other local facilities that significantly relate to air transportation; or debt service and other financing costs related to advancing eligible projects. FY 2021 through FY 2025 projects would come with a 100 percent federal cost share. Funds made available under this section would remain available for three years.

This section would also address a provision in the CARES Act (P.L. 116-136) that skewed the $10 billion in additional funds it contained for airports towards small airports and away from larger, more traveled hubs. Under this section, any airport who received an amount of CARES Act funds more than four times its annual operating expenses would not be eligible for these supplemental funds.

Expands AIP-eligible projects to include resiliency improvements: Sec. 10103 would add eligibility to AIP for projects that improve the resiliency of "critical airport infrastructure", defined as "runways, taxiways, and aprons necessary to sustain commercial service flight operations." It would also insert the definition of "natural disaster" into 49 U.S.C. 47102 (airport development) and define it as meaning "earthquake, flooding, highway, hurricane, storm sure, tidal wave, tornado, tsunami or wind driven water."

Authorizes $1 billion to return FAA air traffic control facilities to states of good repair: Sec. 10104 would authorize $1 billion from the general fund to be transferred to the FAA for exclusive use on projects that "bring air traffic control facilities of the Administration (FAA) into acceptable condition, including sustaining, rehabilitating, replacing, or modernizing such facilities and associated costs."

TITLE II—ENVIRONMENT

Authorizes $1 billion for new competitive grant and cost-sharing agreement program to reduce aviation-related carbon emissions: Sec. 10201 would direct the U.S. Department of Transportation (USDOT), in consultation with the U.S. Environmental Protection Agency (EPA) to create a new competitive grant and cost-sharing agreement program that counties and airport sponsors could apply for directly through USDOT. 50 percent of funds would be directed toward projects that would facilitate the implementation of low-emission aviation technologies, defined as those that improve fuel efficiency, increase the use of sustainable fuels or reduce greenhouse gas emissions (GHGs) that result from the operation of aircrafts. The remaining 50 percent would be directed to projects that "produce, transport, blend, or store" sustainable fuels that reduce GHGs. This section would direct USDOT to evaluate applications based on environmental criteria around reducing GHGs, as well as the project's potential for creating new jobs.

To carry out activities under this section, the legislation would authorize $200 million annually over FY 2021 through FY 2025.

Counties support ongoing analysis and evaluation of all tools that seek to reduce greenhouse gas emissions, including their local economic and fiscal impacts.

Prevents airports in nonattainment areas from using Passenger Facility Charge revenues (PFCs), AIP funds for certain projects: Sec. 10202 would strike the current eligibility for airports in nonattainment areas, defined broadly as any area that does not meet established air quality standards, to use PFC revenues toward projects that would result in cleaner burning fuels. It would also strike the eligibility of these airports to use AIP funds for airport facilities projects or the acquisition of vehicles and, instead, address these airports by expanding the FAA's Voluntary Airports Low Emissions program to include all commercial airports, including those in nonattainment areas. Projects in areas of the country with compromised air quality would continue to be prioritized.

Authorizes $30 million annually for the development of sustainable aviation fuels: Sec. 10203 would authorize $30 million in annual appropriations from FY 2021 through FY 2025 for the FAA to study and develop sustainable fuels for aircrafts.

Counties support continued federal efforts to decrease reliance on oil by focusing on alternative fuel sources.

Division F—Investment in Water Resources and Water-Related Infrastructure

TITLE I—CRITICAL WATER RESOURCES INVESTMENTS

Unlocks the Harbor Maintenance Trust Fund (HMTF): Sec. 21003 would fully unlock HMTF revenues exclusively for use on harbor maintenance and harbor-related activities. This provision would go into effect "as if included in the enactment of the CARES Act." The CARES Act initially unlocked the HMTF's annual receipts for use by the U.S. Army Corps of Engineers (Army Corps) to carry out authorized projects, but not the fund entirely, beginning on the date of the law's enactment, March 27, 2020.

Counties support the full expenditure of harbor maintenance trust fund collections on dredging and harbor maintenance, and providing equity for deep draft ports that contribute collections to the fund but do not have significant dredging needs by allowing them to utilize trust fund dollars for limited port-related uses other than dredging.

Authorizes $10 billion to the Army Corps to address significant project backlog: Sec. 21004 would authorize $10 billion for the Army Corps' construction account to carry out the roughly $100 billion backlog of authorized water resources development projects. $3 billion must be used for the Inland Waterways System and $500 million for water-related environmental infrastructure projects.

Counties support Congress appropriating the funds necessary to reduce the backlog of authorized water resource projects.

TITLE II—CRITICAL CLEAN WATER INVESTMENTS

Subtitle A—Water Quality Protection and Job Creation Act

Authorizes $300 million annually for states to assist in implementing state water quality improvement programs: Sec. 22103 would authorize a total of $1.5 billion over FY 2021 through FY 2025 in grants to states to assist in implementing state water quality improvement programs, under section 106 of the Clean Water Act.

Authorizes $1 billion for technical assistance to municipalities to assess future risks and vulnerabilities of publicly owned treatment works: Sec. 22104 would authorize $1 billion to municipalities to carry out watershed, wet weather and resiliency projects. The section provides that not less than 15 percent of the amounts appropriated would have to be used to provide technical assistance to municipalities with a population of less than 10,000.

Authorizes $600 million for grants to carry out alternative water source projects: Sec. 22105 would authorize a pilot program to carry out alternative water source projects. This section also provides that not less than 15 percent of the amounts appropriated would have to be used to provide technical assistance for projects designed to serve fewer than 10,000 people.

Increases grant funding for sewer overflow and stormwater reuse to $400 million annually: Sec. 222106 would authorize $400 annually over five fiscal years for sewer overflow and stormwater resume grants under section 221 of the Clean Water Act, for a total of $2 billion over the life of the bills. This section provides for a greater federal cost share of projects that serve financially distressed communities.

Counties support federal funding to meet all Clean Water Act mandates imposed on local governments.

Modifies the Clean Water State Revolving Fund (SRF) to promote efficient energy use at the utility: Sec. 22109 would amend the Clean Water SRF to require utilities to consider modifications that promote efficient energy use, such as technologies that capture and reuse methane produced in the treatment of wastewater. These modifications would also require a minimum of 15 percent of SRF capitalization grants be directed towards projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative projects. Potential projects could include replacing inefficient pumps or pumping systems, rain gardens, permeable pavements, green roofs, bioswales and rainwater harvesting.

Directs States to further subsidize Clean Water SRF capitalization grants to municipalities: Sec. 22110 would direct states to utilize a minimum of 10 percent of their annual Clean Water SRF funding to provide additional subsidization, including grants, to municipalities that utilize the SRF.

Authorizes $8 billion annually in funding for the Clean Water SRF: Sec. 22113 would authorize a total of $40 billion, $8 billion annually, in funding authorizations for the Clean Water SRF for FY 2021 through FY 2025.

Counties support the SRF programs as supplements to, not a substitute for, federal grants programs. Grants and technical assistance should be made available to those small, rural, disadvantaged communities that are unable to meet their needs solely with loans.

Directs the EPA to review financial resources available for the local implementation of the Clean Water Act (CWA): Sec. 22115 would direct the U.S. Environmental Protection Agency (EPA) to review existing guidance and financial resources a municipality has available to implement the requirements of the CWA. It would also direct the EPA to consult with, and solicit advice and recommendations from, state and local government officials and other stakeholders.

Subtitle B—Local Water Protection

Reauthorizes $1 billion for grants to states to address CWA nonpoint sources of pollution: Sec. 22201 would authorize $200 million fiscal years 2021 through 2025 for grants to states to address nonpoint sources of pollution under section 319 of the Clean Water Act.

Counties support federal funding to meet all Clean Water Act mandates imposed on local governments.

Subtitle C—Critical Regional Infrastructure Investments

Authorizes $250 million for the National Estuary Program: Sec. 22205 would reauthorize a total of $250 million in appropriations for the EPA's National Estuaries Program for FY 2022 through FY 2026.

Counties support a funding level to continue the National Estuary Program to all counties that meet a locally significant start up program.

TITLE III—RESILIENCE REVOLVING LOAN FUND

Creates new option for SRF under the Federal Emergency Management Agency (FEMA) for hazard mitigation projects: Sec. 23002 would establish an option for SRF under FEMA for hazard mitigation projects, with the intent of reducing future risks and costs of natural hazards. Loans would be made available to eligible local governments for the purpose of preventing the loss of life and property, the cost of insurance claims, and federal disaster payments via projects to mitigate the risk of wildfires, earthquakes, floods, storm surges, chemical spills and seepage, and any other event deemed catastrophic by FEMA.

Counties support federal incentives to states and local governments to prioritize and undertake pre- and post- disaster hazard mitigation activities that will diminish future losses.

TITLE V—CLIMATE SMART PORTS

Authorizes $500 million annually over the next decade for new climate grant program for small ports: Sec. 25002 would create a new grant program authorized at $500 million annually from FY 2021 through FY 3030 for eligible entities, including local- and county-operated port authorities, to "purchase, and as applicable install, zero emissions port equipment and technology", to be enacted no later than six months following the date of enactment of H.R. 2. Where practicable, at least 25 percent would be required to be used to fund projects that provide for the installation of zero emissions port equipment and infrastructure. Funds under this section could not be used to install fully automated technology for the handling of cargo or infrastructure that would facilitate the installation of this technology in the future; however, the installation of "human-operated zero emissions port equipment and technology and infrastructure" would be encouraged. These projects would be funded at an 80 percent cost share, with the exception of awards in the amount of $3 million or more where a successful grantee would be eligible for up to an 85 percent federal cost share for projects that employ laborers to install zero emissions port infrastructure or where the grantee is a party to a labor agreement.

This section would require successful grantees to ensure, to the greatest extent practicable, that any contractors and/or subcontractors working on a project awarded under this section are located no more than 50 miles from home; are current, separated or retired members of the military; have been incarcerated (including juveniles); or are disabled. It would also subject projects to certain labor requirements.

Priority would be given to projects that reduce the emission of greenhouse gases or any other pollutant; those that reduce public health disparities in communities disproportionately impacted by pollution associated with the operation of a port; projects with local state and/or local matches; projects that meet apprenticeship requirements; and those projects where the applicant will use the funds to purchase or install zero emission port infrastructure. The funds would remain available until expended.

Authorizes $50 million annually for port authorities: Sec. 25003 would authorize $50 million for the U.S. Environmental Protection Agency's (EPA) Diesel Emissions Reduction Act (DERA) annually from FY 2021 through FY 2025 "to award grants, rebates, or loans, under section 792, to eligible entities to carry out projects that reduce emissions at ports." Local transportation agencies or those with jurisdiction over air quality, as well as county-owned or operated port authorities, would be eligible to apply directly to EPA for these funds.

Counties believe that a vibrant waterway transportation system is vital to our economy and provides our nation with the ability to meet the needs of the shipping public. Counties support legislation that provides increased funding and regulatory relief to facilitate the revitalization, modernization and maintenance of America's port facilities.

Division G—Energy and Commerce

TITLE I—BROADBAND INFRASTRUCTURE

Subtitle A—Digital Equity

Chapter 1—Office of Internet Connectivity and Growth

Establishes the Office of Internet Connectivity and Growth: Sec. 31101 would establish the Office of Internet Connectivity and Growth within the National Telecommunication and Information Administration. This office would be tasked with creating and sharing best practices from across the federal government to promote digital access for all communities. Additionally, this office would be charged with developing streamlined application processes for stakeholders to obtain federal broadband funding.

Chapter 2—Digital Equity Programs

Creates the State Digital Equity Capacity Grant Program: Sec. 31121 would authorize $685 million for grants aimed at promoting digital equity through financial support and capacity building through state-led "digital equity plans."

Establishes the Digital Equity Competitive Grant Program: Sec. 31122 would authorize $625 million in grants to support digital equity efforts, promote access and spur greater adoption of broadband services. These funds would be eligible to any state agency or non-profit entity that manages labor and workforce training programs.

Chapter 3—Broadband Service for Low-Income Consumers

Authorizes $200 million in grants to states for National Lifeline Program: Sec. 31142 would authorize $200 million in grants to states to assist the Federal Communications Commission's (FCC) National Lifeline Program that helps bridge the connectivity gap through discounts on phone service for qualifying low-income consumers. This section would strengthen the National Lifeline Eligibility Verifier and help states link SNAP beneficiaries with FCC Lifeline broadband resources.

Chapter 4—E-Rate Support for Wi-Fi Hotspots, Other Equipment, and Connected Devices

Authorizes $5 billion for the E–Rate program and expands eligibility: Sec. 31161 would authorize $5 billion for the E-Rate program to support to support purchases of Wi-Fi hotspots, other equipment, and connected devices. The FCC's E-Rate program provides a subsidy to schools and libraries for internet services. This addition to the program would help schools and libraries adapt to the unique challenges of ensuring residents remain connected throughout the COVID crisis.

Subtitle B—Broadband Transparency

Requires federal broadband data be made available to local governments: Sec. 31203 would require this data – including include service coverage areas, price points and service charges for fixed wireless, mobile and satellite broadband – to be made accessible to local governments.

Implements the Broadband DATA Act: Sec. 31206 would authorize provide $24 million to the FCC to implement stronger data reporting measures required under the Broadband DATA Act.

The Broadband DATA Act, passed by Congress and signed by the President earlier this year, requires the FCC to make substantive changes to the way broadband data is collected, disputed and reported. This measure was a major policy priority for NACo, who leveraged the TestIT app to underscore data discrepancies across the country.

Subtitle C—Broadband Access

Chapter 1—Expansion of Broadband Access

Requires the FCC to redefine unserved and underserved communities: Sec. 31301 would require the FCC to refine their determination of unserved and underserved communities using other publicly available data – like NACo's TestIT app – while streamlining the process for stakeholders to dispute the determination.

Chapter 3—Wi-Fi on School Buses

Expands the eligibility of E-rate support for school bus Wi-Fi: Sec. 31341 would require the FCC update its rules permitting Wi-Fi access on school buses as eligible for funding under the E-Rate program.

Subtitle D—Community Broadband

Prohibits state barriers and restrictions on municipal-owned broadband networks: Sec. 31401 would prohibit state barriers to locally owned broadband networks. Currently, twenty-two states impose some barrier or outright ban on local governments owning or operating municipal broadband networks.

Counties have long long-opposed efforts to restrict or prohibit municipal ownership of communications facilities.

Subtitle F—Next Generation 9–1–1

Authorizes $12 billion in grants to state and local governments for the implementation of NextGen911 technology: Sec. 31603 would authorize $12 billion for grants to state and local governments for the implementation, training and maintenance of Next Generation 9-1-1 emergency communications systems. The federal portion of the grant allocation would not exceed 80 percent of the total cost of the application.

Counties have prioritized federal resources for Next Generation 911 systems and services to ensure that members of the public and first responders benefit from modern emergency communications services.

TITLE III—ENERGY AND ENVIRONMENT INFRASTRUCTURE

Subtitle A—Infrastructure

Chapter 1—Drinking Water

Establishes a new PFAS infrastructure grant program: Sec. 33101 would create a new grant program under the Safe Drinking Water Act to provide assistance to water utilities to pay for capital costs associated with the treatment for per- and polyfluoroalkyl substances (PFAS).

Counties support efforts by the federal government to study health and environmental impacts of PFAS compounds.

Chapter 2—Grid Security and Modernization

Authorizes $700 million for new program annually to enhance the electric grid: Sec. 33111 would direct the U.S. Department of Energy (DOE) to establish a program to provide funding to eligible partners for projects that improve resiliency, performance or efficiency of the electric grid. Partnerships could include a local government, among others that develop or provide grid technology, or an electric utility provider. It would authorize $700 million each year for FY 2021 through FY 2025.

Establishes a new program to provide rebates to replace inefficient transformers with a qualified efficient transformer: Sec. 33112 would direct DOE to establish a program to provide rebates to eligible entities that replace inefficient transformers with a qualified energy efficient transformer. The section provides technical definitions for inefficient transform, energy efficient transformer and qualified entity. This section would also authorize the program at $10 million each year for FY 2021 through FY 2025.

Creates a new energy storage program: Sec. 33114 would establish a research program for energy storage systems. The program adopts long-term targets for energy storage systems. This program would be authorized at $175 million annually from FY 2021 through FY 2025.

Establishes a new energy storage and microgrid grant and technical assistance program at DOE: Sec. 33115 would create an energy storage and microgrid grant, as well as a technical assistance program, at DOE. The program would provide grants and technical assistance to a rural electric cooperative or non-profit entity to assist with designing and demonstrating energy storage and microgrid projects using renewable energy sources. This program would be authorized at $5 million annually from FY 2021 through FY 2025.

Counties support financial and technical assistance to local governments to help develop and implement local climate change adaptation and mitigation plans and projects, including but not limited to acquisition of high efficiency fleet vehicles, renewable energy deployment, installation of emerging micro-grid and energy storage infrastructure.

Chapter 4—Renewable Energy

Creates a new, $200 million program for solar installations located for underserved areas: Sec. 33131 would direct DOE to establish a program to provide loans and grants to entities to construct or install community solar facilities or solar generating facilities to serve multi-family affordable housing.

Counties support increased federal resources for researching and developing renewable energy technologies.

Chapter 6—Brownfields

Authorizes $2.25 billion for EPA Brownfields program: Increases and extends funding for the Brownfields program: Sec. 33151 would increase and extends funding for the EPA's Brownfields program and authorize it at $2.25 billion for FY 2021 through FY 2025.

Counties support federal support for economic revitalization and environmental restoration programs in coordination with local governments.

Subtitle B—Energy Efficiency

Chapter 1—Energy Efficiency Retrofits

Establishes a new Home Energy Savings Retrofit Rebate Program: Sec. 33202 would require DOE to establish a Home Energy Savings Retrofit Rebate Program to provide rebates to homeowners for retrofits that achieve home energy savings.

Counties support the creation of a fund that addresses sudden situations such as fluctuations in energy costs, natural disasters and extreme weather conditions.

Changes the requirements for public buildings: Sec. 33211 would add a benchmark program to enable monitoring and use of energy performance data in buildings as an eligible use of grant funds. It would further require any local government receiving a grant under this section to obtain third-party verification of the energy efficiency improvements obtained using grant funds. This section would require all state energy offices receiving grants to ensure that all contractors and subcontractors performing work with grant funds are paid prevailing wage rates.

Directs DOE to provide retrofitting assistance for schools: Sec. 33221 would direct DOE to establish a clearinghouse to disseminate information regarding federal programs and financing mechanisms that may be used to help initiate, develop, and finance energy efficiency, distributed generation and retrofitting projects at schools. DOE would be required to both develop the clearinghouse and an education and outreach effort to promote this program.

Creates a new grant program for energy efficiency improvements at public schools: Sec. 33222 would direct DOE to establish a competitive grant program to award funding for energy improvements in public school facilities. The section would prioritize grants to either high-need local education agencies or rural education agencies.

Counties believe any required retrofitting, based on the new source review standards, should be limited to addressing significant pollution problems of the region. Counties support more federal funding and incentives for local governments to meet these objectives.

Reauthorizes the Weatherization Assistance Program: Sec. 33231 would reauthorize the Weatherization Assistance Program for five years. This section would amend the definition of weatherization materials to add renewable energy technologies and other advanced technologies to the list of weatherization materials that may be installed in residences under the program.

Counties support federal funding and other incentives to promote nationwide energy conservation efforts, including the Weatherization Assistance Program.

Subtitle C—Vehicles

Establishes a new, $500 million rebate program for electric vehicle (EV) supply equipment: Sec. 33332 would authorize $100 million from FY 2021 through FY 2025 for the creation of a rebate program by DOE. County governments would be able to apply directly to DOE for "covered expenses associated with publicly accessible electric vehicle supply equipment." The rebate amount would be the lesser of the following:

- **75 percent** of covered expenses;
- **$2,000** for covered expenses associated with non-networked charging equipment;
- **$4,000** for covered expenses associated with the purchase and installation of networked charging equipment; or
- **$75,000** for covered expenses associated with the purchase and installation of networked direct current fast charging equipment.

The section would further provide certain rebate amounts for the replacement of pre-existing EV supply equipment based on similar criteria.

Directs states to coordinate with local governments and other entities in the development of state energy plans: Sec. 33338 would require states to coordinate with counties, other local governments and public and private stakeholders in the development of a state energy plan, described as a plan that would "promote the electrification of the transportation system, reduced consumption of fossil fuels, and improved air quality."

Authorizes $2.5 billion annually for the Plug-In Electric Drive Vehicle program: Sec. 33339 would authorize $2.5 billion annually from FY 2021 through FY 2025 for this previously-established, competitive grant program that counties would be eligible to apply directly for through DOE to fund projects that encourage the use of plug-in EVs.

Subtitle D—Buy American and Wage Rate Requirements

Applies "Buy American" standards to EV infrastructure projects: Sec. 33401 would require any projects carried out under this title to use iron, steel and manufactured goods produced in the U.S., with certain exceptions included around the availability of goods, public interest or if compliance with this provision would increase the overall project cost by more than 25 percent.

TITLE IV—HEALTH CARE INFRASTRUCTURE

Provides $10 billion in new grant funding for hospital infrastructure improvements: Sec. 34101 would authorize $10 billion in total funding for FY 2021 through FY 2025 to modernize health care facilities. Grant awards would prioritize projects that include public health emergency preparedness or cybersecurity protections. Grantees would be required to ensure that all iron and steel products used in the project are produced in the U.S., and that projects will increase energy efficiency, energy resiliency or a greater use of renewable energy.

Authorizes $10 billion in grant funding for community health center capital projects: Sec. 34102 would authorize $10 billion in funding for FY 2021 through FY2025 for community health center capital project grants, which finance the construction, renovation or expansion of facilities. Grant awardees must ensure that projects will increase energy efficiency, energy resiliency or the use of renewable energy.

Invests $500 million to improve community based-care infrastructure: Sec. 34105 would establish a new pilot program that would award $500 million in grant funds to qualified teaching health centers and behavioral health centers for the purposes of improving, renovating, or modernizing infrastructure at these facilities, including "to address COVID-19 and other subsequent public health crises". The grant funds would remain available until expended. This section would also require that grant awardees ensure projects will increase energy efficiency, energy resiliency, or a greater use of renewable energy.

Counties invest $100 billion annually in community health through 843 county supported hospitals, 758 county-owned and supported long-term care facilities and 750 county behavioral health authorities. Counties support funding of health and hospital construction grant programs, expansion or construction of all health care facilities, and the maintenance of the county-based infrastructure for assuring delivery of care.

Division J—Housing is Infrastructure Act of 2020

TITLE VI—PUBLIC HOUSING

Authorizes $70 billion for the Public Housing Capital Fund: Sec. 60003 would authorize $70 billion to the Public Housing Capital Fund for public housing agencies (PHAs) to address the backlog of physical repairs needed to maintain safe and decent housing. The U.S. Department of Housing and Urban Development (HUD) would distribute a minimum of 35 percent and at a maximum 75 percent of funds to PHAs using the same formula distribution for the Capital Fund for FY 2019. HUD would distribute the remaining amounts by competition for priority investments, such as ones that address lead hazards and other urgent health and safety concerns and give priority to PHAs in states and localities with plans to increase water and energy efficiency for developing or rehabilitating public housing.

Counties support the increased federal resources to expand and repair our nation's affordable housing stock and promote housing affordability for vulnerable communities.

Authorizes $1 billion for Rural Multifamily Preservation and Revitalization Demonstration Program: Sec. 60004 would provide $1 billion for the Multifamily Preservation and Revitalization Demonstration program of the Rural Housing Service to address the backlog of capital needs for affordable rental housing backed by the U.S. Department of Agriculture under the Section 514, 515, and 516 programs. At least 10 percent of the funding must be used for green housing investments.

Authorizes $1 billion for the Flood Mitigation Assistance Grant Program: Sec. 60005 would authorize $1 billion for the Flood Mitigation Assistance Grant Program, which supports flood mitigation efforts to protect communities from future flooding and reduce post-disaster federal spending.

Authorizes $5 billion to the National Housing Trust Fund: Sec. 60006 would provide $5 billion for the National Housing Trust Fund, which supports the creation, rehabilitation or preservation of housing that would be affordable to the lowest income households. Funding would be prioritized for people who are experiencing homelessness or at risk of homelessness, and at least 10 percent of the funding must be used for green housing investments.

Includes $5 billion to the Home Investment Partnerships (HOME) program: Sec. 60009 would include $5 billion to the Home Investment Partnerships (HOME) program, which provides flexible funds for the construction, purchase or rehabilitation of affordable rental and homeownership opportunities for low-income and very low-income people. At least 10 percent of the funding must be used for green housing investments.

As a key priority for counties, HOME program funding helps local governments provide affordable housing to low-income families and enhances the quality of life for local communities.

Authorizes $2.5 billion for the Supportive Housing for the Elderly program: Sec. 60011 would authorize $2.5 billion in funding for the program, which provides affordable housing with supportive services for low-income older adults. Similar to the other provisions under Title VI, at least 10 percent of the funding allocated under Section 60011 would be required to go toward green housing investments.

Counties support federal funding increases that allow localities to strengthen and expand our networks of support for the aging population.

Authorizes $2.5 billion for the Capital Magnet Fund: Sec. 60012 would authorize $2.5 billion for the Capital Magnet Fund, which provides competitive grants to Community Development Financial Institutions to create and preserve affordable homes. At least 10 percent of the funding must be used for green housing investments.

Authorizes $10 billion for new competitive Community Development Block Grant (CDBG) funding: Sec. 60013 would authorize $10 billion for a new competitive allocation of CDBG, which provides flexible funding to states and localities for affordable housing and community development activities. The competition would be designed to encourage applicants to streamline local processes for approval of affordable housing development and remove local barriers to affordable housing development such as zoning requirements. At least 10 percent of the funding must be used for green housing

Counties support additional federal investments in the CDBG program, which provides vital resources for local economic development, job creation and retention projects.

Requires HUD to report on outcomes: Sec. 60015 would require HUD, in coordination with other federal agencies outlined in this section to annually report census tract and block group level data on several outcomes associated with funding in this division, including the number of units produced, rehabilitated or mitigated using authorized funding.

Division K—Reopen and Rebuild America's Schools Act Of 2020

TITLE I—GRANTS FOR THE LONG-TERM IMPROVEMENT OF PUBLIC SCHOOL FACILITIES

Provides $100 billion in new grants for improvements to high-poverty schools: Section 70000 through 70122 would authorize a total of $100 billion in competitive, need-based grants for States to award to Local Education Agencies (LEAs) to be appropriated between FY 2020 and FY 2024. States would receive funds proportionate to their allocation of funds under Title I of the Elementary and Secondary Education Act in the prior fiscal year and would be instructed to prioritize grants to LEAs with the highest concentrations of students in poverty, the greatest need to improve public school facilities (based on the State's determination given factors such as the age of facilities, enrollment figures, the condition of major building systems and structures and other critical health and safety conditions) and the most limited capacity to raise funds for long-term facilities improvements.

In FY 2020, states would be required to prioritize subgrants to fund projects necessary to reopen schools in line with Center for Disease Control and Prevention (CDC) guidelines for COVID-19. States could also distribute up to 10 percent of their grant allocation to LEAs with existing programs or public-private partnerships focused on expanding access to high-speed broadband to support digital learning. To carry out the new competitive grant program, States must submit a plan to the U.S. Department of Education (DoEd) for approval and meet a 10 percent matching requirement within 10 years of the act. States would be required to disburse the funds by FY 2029, which could not be used for improvements for charter schools operated by a for-profit entity.

Counties support efforts to establish federal incentives that will help state and local governments finance school repair, renovation, modernization, and construction projects. Counties also strongly support legislation and administrative policies that help counties rapidly expand public-private partnerships and to attract affordable, abundant, redundant and reliable high-speed broadband services that meet or exceed federal broadband speed definitions regardless of population or technology used.

TITLE III—IMPACT AID CONSTRUCTION

Authorizes $500 billion in new construction funding for federally impacted schools: Sec. 70301 authorizes a temporary increase in funding for the Impact Aid Construction Program of $500 billion total between FY 2020 and FY 2024. These grants fund emergency repairs and modernization of school facilities to certain eligible LEAs that receive Impact Aid to compensate for lost property tax revenue due to the presence of tax- exempt federal property or for increased expenditures due to the enrollment of federally connected children.

Counties believe Congress must recognize the burdens placed on communities that have a large number of federal employees and facilities and must continue to provide federal aid to meet the extra costs involved in educating the children of federal employees.

Division L—Public Lands, Tribal Communities, and Resilient Natural Infrastructure

TITLE I—WATER RESOURCES INFRASTRUCTURE

Authorizes $3.5 billion for western water infrastructure and drought resiliency measures: Sec. 81211 would authorize funding for sustainable, multi-benefit water storage projects. This section would create a $500 million competitive grant program for water recycling and reuse projects. An additional $260 million would be set aside for water desalination projects. Additional funds could be used for projects designed to reverse widespread fish and wildlife species decline across the western United States..

Authorizes $120 million for the Bureau of Reclamation's WaterSMART program: Sec. 81212 would also make non-governmental organizations eligible for these grants that invest in conservation and efficiency improvements. It also reauthorizes the Cooperative Watershed Management Program to bring stakeholders together to find local solutions for their water needs.

Directs the U.S. Department of the Interior (DOI) to identify groundwater storage and recharge locations across western states and future water infrastructure conveyance needs: Sec. 81322 would direct DOI to coordinate this study with universities and local non-governmental organizations.

TITLE II—NATIONAL PARKS, FORESTS, AND PUBLIC LANDS

Expedites the deployment of broadband and telecommunications infrastructure and services on lands managed by or adjacent to public: Sec. 82102 would apply to lands managed by the Bureau of Land Management, National Park Service, U.S. Fish and Wildlife Service and the Bureau of Reclamation. It would allow agencies to retain and use rental fees for rights-of-way and other telecommunications infrastructure use authorizations. The fees could be used for the management of, development of management plans for, and obtaining access to broadband and telecommunications sites. The Secretary of the Interior would also have the authority to enter into cooperative agreements to carry out these new activities.

Creates a new grant program to improve recreational infrastructure: Sec. 82201 would create the "Outdoor Recreation Legacy Partnership Grant Program" for land and water acquisition for parks, and to improve recreational infrastructure in park-poor "urban areas" (as defined by the U.S. Census Bureau) and traditionally underserved communities. Cities, counties, states and tribal communities would be eligible for these grants. The match for the new grant program would be 100 percent federal.

Directs the U.S. Forest Service (USFS) to prioritize storm proofing transportation infrastructure: Sec. 82401 would direct the USFS to prioritize the weatherization of roads, bridges and trails to prepare for more extreme weather, to repair trails and to decommission unneeded or environmentally hazardous roads. The bill would authorize $50 million annually for FY 2021 through FY 2025 to carry out the program.

For public lands counties and gateway communities, access is a central issue. Counties support retaining and enhancing public access to public lands for public safety, forest and ecosystem health, recreation *and tourism, resource extraction, research and education, and private property rights. Roads are the primary infrastructure for access to public lands and must be maintained.*

TITLE III—OCEANS AND WILDLIFE

Authorizes $3 billion in new funding for to restore habitats for fish and wildlife or to reduce the impacts of climate change: Sec. 83101 would authorize $3 billion or FY 2020 restoration projects for fish and wildlife habitats or other projects that reduce the impacts of climate change on these habitats. This coastal resiliency fund would be managed by the National Oceanic and Atmospheric Administration (NOAA).

Provides $50 million per year for the new Living Shoreline Grant Program: Sec. 83102 would authorize $50 million annually for the grant program to increase the climate resilience of shorelines from FY 2021 through FY 2025. The program would be administered by NOAA, with ten percent of the funds set-aside for the Great Lakes region. Priority living shoreline projects would include those located in disaster areas, near military installations and projects located in under-resourced communities. A 50 percent non-federal match would be required with the option to waive it should funds be unavailable.

Establishes a new National Wildlife Corridors system to provide for the protection and restoration of certain species on federal lands: Sec. 83211 would establish a new system to enhance the protection and restoration efforts on federals lands for certain native fish, wildlife and plant species. Lands or waters could be designated as National Wildlife Corridors through legislation, rulemaking authority or as part of a land management plan under P.L. 94-579, the *Federal Land Policy Management Act of 1976*.

Additionally, land management agencies would have to consider National Wildlife Corridor system eligibility in any update to a federal land management plan moving forward. Federal agencies would be required to coordinate any potential new designations with state, local or tribal governments. It would also authorize a voluntary grant program for restoration, maintenance and preservation of wildlife corridors on state and private lands. Finally, no fewer than four regional councils of federal agencies and impacted state fish and wildlife agencies, tribal governments and private landowners would be established to develop standards and select grand recipients.

Counties believe special federal land use designations impact the long-term use and status of public lands, which in turn has significant impacts on neighboring counties. The federal government should coordinate with affected state and local government as early as possible when considering special land use designations. Counties support special use designations of federal lands that are approved by impacted county governments and supported by local stakeholders.

TITLE IV—ENERGY

Authorizes a total of $2 billion for closing and remediating orphaned oil and gas wells on public and private lands: federal, tribal, state, and private lands: Sec. 84101 would authorize $2 billion from FY 2021 through FY 2025 for these activities. The Bureau of Land Management would receive 12.5 percent of the funding for remediation of wells on federal and tribal lands, while 87.5 percent would go to states in the form of grants to address wells on both state-owned and private land. It would also increase minimum oil and gas bonding amounts for wells on federal public lands and allow for automatic adjustments for inflation.

Reauthorizes the Abandoned Mine Land program for coal mines for 15 years: Sec. 84201 would reauthorize the program with the minimum amount of money that each state or tribe would receive annually increasing from $3 million to $5 million. It would also allow states to spend funds directly on abandoned mine related emergencies and subsequently be reimbursed by the Office of Surface Mining Reclamation and Enforcement.

Authorizes $1 billion in unobligated money from the Abandoned Mine Land fund for distribution to states and tribes: Sec. 84301 would authorize a total of $1 billion from FY 2021 through FY 2025. These funds could be used to accelerate the cleanup of abandoned coal mine sites that have been identified by states, tribes, and local communities as prime opportunities for economic redevelopment and job creation in economically distressed areas caused by a decrease in mining activity.

Promotes clean energy projects on public lands: Sec. 84401 would create priority areas for the development of wind, solar and geothermal projects and expedite necessary permits for these projects. 25 percent of revenues from renewable energy projects would be directed to impacted states; 25 percent to counties; and 15 percent to the new Renewable Energy Resource Conservation Fund, which would be used for conservation and recreation projects, with the rest going to permit processing and federal budget deficit reduction. Payments to counties would not be considered a prior-year payment under the Payments In-Lieu of Taxes program.

Counties strongly endorse this provision of the legislation and have testified numerous times before Congress in support of similar legislation. Counties must provide critical services to renewable energy sites on federal public lands, and the revenue sharing provisions will help to ease that burden.

Division M – Revenue Provisions

TITLE I—INFRASTRUCTURE FINANCING

Permanently reinstates advance refunding of tax-exempt municipal bonds: Sec. 90102 would permanently reinstate advance refunding of tax-exempt municipal bonds. This provision would also treat qualified 501(c)(3) bonds as tax-exempt obligations for purposes of the small issuer exception and would also make permanent certain rules related to qualified financings.

In 2017, the *Tax Cuts and Jobs Act (TCJA) of 2017* (P.L. 115-97), which eliminated the tax-exempt status of advance refunding bonds, was enacted into law. Prior to 2017, advance refunding bonds allowed counties to refinance municipal bonds once over the lifetime of the bond. Advance refunding bonds, when tax-exempt, allow state and local governments to lower borrowing costs and take advantage of more favorable interest rates. This frees up resources for other important capital projects and minimizes costs to taxpayers. Prior to this elimination, advance refunding bonds made up about a third of the municipal bond marketplace, with over $475 billion in advance refunding bonds issued between 2012 and 2017. Over that time frame, municipalities saved more than $14 billion of taxpayer money through this financing tool.

Municipal bonds allow state and local governments to immediately finance critical projects that support our nation's infrastructure needs while protecting the economy during a crisis. Restoring governments' ability to advance refund tax-exempt municipal bonds would free up billions of dollars that states and local governments could invest in other critical infrastructure projects, such as hospitals and other public health facilities. Prior to its elimination, advance refunding bonds made up about a third of the municipal *bond marketplace, with over $475 billion in advance refunding bonds issued between 2012 and 2017. Over that time frame, municipalities saved more than $14 billion of taxpayer money through this financing tool.*

Increases access to capital for small borrowers: Sec. 900103 would revise the definition of qualified small issuers by increasing the $10 million limit to $30 million, and apply the limit at the borrower level, which would ensure that small counties could provide access to capital for immediate infrastructure projects including schools, roads and bridges. Bank-qualified bonds were created in 1986 to encourage banks to invest in tax-exempt bonds from smaller, less-frequent municipal bond issuers, and to provide municipalities with access to the lower cost borrowing that they need in order to provide services and invest in public infrastructure projects. In addition, this provision would treat qualified 501(c)(3) bonds as tax-exempt obligations for purposes of the small issuer exception and would also make permanent certain rules related to qualified financings.

Increases cap on private activity bonds: Sec. 900104 would increase the annual state volume cap on private activity bonds (PABs) from $225,000,000 to $402,220,000. PABs are tax-exempt bonds issued by or on behalf of a local or state government for the purpose of providing special financing benefits for projects to support economic development in a community.

Modifies qualified small issue bonds: Sec. 900105 would expand the definition of eligible manufacturing facilities for financing through small issue bonds to include facilities used for the creation or production of intangible property. This provision would also raise the cap for prior issues from $10 million to $30 million and index it for inflation.

Subtitle B—School Infrastructure Bonds

Provides $30 billion in new bond authority for improvements to high-poverty schools: Sections 90112 and 90113 would designate a total national bond limitation of $30 billion for qualified school infrastructure bonds (QSIBs) through annual increments of $10 billion from FY 2020 through FY 2022. The bonds, which would require the federal government to provide a tax credit of 100 percent of the interest to the bondholder or as a direct payment to the bond issuer, would mirror the competitive grant program proposed in Division K, Title I of the bill. As with the competitive grant program, bond authority would be allocated to states proportionate to their allocation of funds under Title I of the Elementary and Secondary Education Act in the prior fiscal year.

States could also distribute up to 10 percent of their total bond limitation to enable local education agencies (LEAs) to support existing programs or public-private partnerships focused on expanding access to high-speed broadband to support digital learning. The U.S. Department of Education would be required to submit an annual report to Congress on the utilization of the bond program by LEAs.

Counties support efforts to establish federal incentives that will help state and local governments finance school repair, renovation, modernization, and construction projects. Counties also strongly support legislation and administrative policies that help counties rapidly expand public-private partnerships and to attract affordable, abundant, redundant and reliable high-speed broadband services that meet or exceed federal broadband speed definitions regardless of population or technology used.

Subtitle C—Other Provisions Related to Infrastructure Financing

Authorizes $10 billion in new grants for child care infrastructure improvements: Sec. 90123 would authorize $10 billion total in competitive grants from FY 2020 to FY 2024 aimed at improving the physical infrastructure of home and center-based child care facilities to increase child safety with specific priority on health and safety requirements for the COVID-19 pandemic. This section would direct the U.S. Department of Health and Human Services (HHS) to conduct both an immediate and long-term in-depth needs assessment of child care facilities to inform the grant process and encourage the distribution of funds to improve the availability of quality child care for poor children, young children and children of essential workers, as well as assist providers in complying with new public health rules and remaining open.

Counties believe high-quality childcare services are needed to ensure that we meet the developmental needs of children and that state and local licensing laws should be carefully monitored to ensure adequacy of facilities and caretakers.

TITLE II—NEW MARKETS TAX CREDIT

Expands and authorizes permanent extension of New Markets Tax Credit (NMTC): Sec. 90201 would make the NMTC program permanent and increase funding allocations. For 2019 funding allocations, the bill would authorize $4 billion, an additional $500 million from the current level. It would also increase NMTC allocations for 2020 to $7 million and for 2021 to $6 billion. For 2022 and all years after, funding allocation levels would be set at $5 billion.

Counties support the permanent extension of the New Markets Tax Credit program to promote community development and economic growth by attracting private investment in low-income communities with high unemployment and poverty.

TITLE VI—HOUSING

Subtitle A—Low-Income Housing Tax Credit (LIHTC) Improvements

Extends the minimum expenditures requirement for rehabilitation projects: Sec. 90601 would extend the minimum expenditure requirement period from 24 months to 36 months for rehabilitation projects receiving a LIHTC allocation after December 31, 2016 and before January 1, 2022.

Extends the expenditure deadline for development projects: Sec. 90602 would provide deadline relief for low-income housing projects undergoing development by extending the deadline to expend 10 percent of basis from one year to two years after the date of the LIHTC allocation. This provision would apply to projects receiving their allocation after December 31, 2016 and before January 1, 2022.

Reduces threshold for tax exempt bond requirements: Sec. 90603 would reduce the threshold for a low-income housing project to qualify for the four percent credit from at least 50 percent financed by volume-capped tax-exempt bonds to 25 percent for buildings placed in service for taxable years beginning after December 31, 2019 and ending before January 1, 2022.

Establishes permanent minimum four percent credit rate: Sec. 90604 would establish a permanent minimum four percent credit rate for low income housing projects using tax-exempt bonds to finance project development. This provision would apply to buildings receiving allocations or determinations and placed in service after December 31, 2019.

Counties support permanent status of the Low-Income Housing Tax Credits so that potential investors will not be discouraged from making investments and housing providers can make appropriate planning and administrative decisions.

Increases state LIHTC allocations: Sec. 90605 would permanently increase over 2021 and 2022, the state low-income housing tax credit allocations from the greater of $1.75 per capita or $2,000,000 to the greater of $4.56 per capita or $5,214,051.

Counties support the expansion of the LIHTCs program to build and preserve more affordable housing through the expansion of the Low-Income Housing Tax Credit program.

Increases credit for projects serving extremely low-income households: Sec. 90606 would give projects intended to serve extremely low-income individuals a 50 percent boost in their eligible basis for the project. This provision would apply to buildings in which 20 percent or more of the units are designated for tenants with household income of maximum 30 percent of area median income or 100 percent of the federal poverty line and the units are rent restricted based on an imputed income limitation of 30 percent of area median income. This provision would also provide a separate allocation above the state's annual LIHTC allocation, equal to 10 percent of such allocation.

Removes local approval and preference for local contributions: Sec. 90611 would amend the responsibilities of housing credit agencies to prohibit the consideration of local approval or opposition for a project, or preference for local government contributions over other contributions for a project in state qualified allocation plans.

Counties support local government consultation and/or approval for LITHCs projects in communities and oppose limitations on current local government authority.

TITLE VIII—HIGHWAY TRUST FUND AND RELATED TAXES

Extends highway fuel taxes at current levels: Sec. 90802 would extend federal motor fuel user fees and other sources of revenue for the Highway Trust Fund at current levels, which are already known to be insufficient. H.R. 2 does not include any actual pay-fors, nor does it raise existing user fees.

Transfers general fund dollars to Highway Trust Fund (HTF): Sec. 90803 would transfer an additional $106.7 billion to the HTF's highway account and an additional $38.6 billion to transit account, for a total of roughly $145 billion to cover the shortfall between spending levels prescribed in the bill and projected HTF revenues.

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ABOUT NACo

The National Association of Counties (NACo) strengthens America's counties, including nearly 40,000 county elected officials and 3.6 million county employees. Founded in 1935, NACo unites county officials to advocate for county government priorities in federal policymaking; promote exemplary county policies and practices; nurture leadership skills and expand knowledge networks; optimize county and taxpayer resources and cost savings; and enrich the public's understanding of county government.

Each year, NACo's Board of Directors, in consultation with over 1,400 county officials on 10 policy steering committees, adopt the association's federal policy priorities. These policy priorities help shape NACo's advocacy efforts on behalf of America's counties.

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