



March 11, 2021

The Honorable Janet L. Yellen  
Secretary  
U.S. Department of Treasury  
1500 Pennsylvania Ave, NW  
Washington, DC 20220

Dear Secretary Yellen,

On behalf of the National Association of Counties (NACo) the only organization representing the nation's 3,069 counties, parishes and boroughs, I write to congratulate you on your confirmation as Secretary. I would also like to draw your attention to the Local Assistance and Tribal Consistency Fund, established under the American Rescue Plan Act, which will provide \$1.5 billion in direct, flexible aid to counties with a history of economic reliance on natural resource extraction from public lands and \$500 million to tribal communities over the next two years. This new fund will help these counties meet the public safety, community health and economic needs of residents and visitors.

The legislation tasks the U.S. Treasury Department (Treasury) with developing a distribution formula based on each eligible county's economic conditions, such as poverty and unemployment rates, household income and land value. While the legislation is silent on the exact formula, Senator Ron Wyden during the passage of the American Rescue Plan Act stated in the Congressional Record, "I fully expect Treasury to consult with others in government who have history in this arena on the creation of this new formula such as the Secretaries of Agriculture and Interior, as well as the National Association of Counties, state county associations, including the Association of O&C Counties Oregon, and many other groups with a deep understanding of these impacts across the United States."<sup>1</sup>

We therefore respectfully request Treasury consult with NACo and state associations of counties in the development of this formula. Counties are eager to work with the Administration on this new endeavor that will support economic development and essential services in rural, public lands counties. The fair distribution of these funds will ensure the communities most in-need will receive these funds to develop their economies, support health and human services programs, provide emergency services and maintain critical infrastructure.

Public lands counties have long relied on natural resource extraction, such as timber and petroleum, to develop their local economies. These communities are often subject to the boom-and-bust cycles of the market and face sharp declines in economic activity when commodity prices decrease, as happened to oil and gas prices during the COVID-19 pandemic. Public lands counties also face the added burden of federal regulations limiting economic activity in their communities, such as increased wildlife and environmental regulations that negatively impacted timber reliant communities in the national forests. The presence of large tracts of federal lands further limits the available property tax base, forcing county governments to meet increased demand with fewer resources.

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<sup>1</sup> <https://www.congress.gov/117/crec/2021/03/05/CREC-2021-03-05-pt1-PgS1218-2.pdf>

NACo further asks Treasury to consult with intergovernmental partners, especially public lands counties, in the development of the distribution formula under the Local Assistance and Tribal Consistency Fund. Counties stand ready to work with Treasury to ensure these new funds are available to the communities most in need. We appreciate your time and attention to this important matter.

Sincerely,

A handwritten signature in black ink that reads "Matthew D. Chase". The signature is written in a cursive style with a large, prominent loop at the beginning of the word "Matthew".

Matthew D. Chase  
Executive Director  
National Association of Counties