



March 23, 2020

The Honorable Mitch McConnell
Majority Leader
S-230, U.S. Capitol
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
S-221, U.S. Capitol
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
H-232, U.S. Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
H-204, U.S. Capitol
Washington, DC 20515

Dear Leader McConnell, Leader Schumer, Speaker Pelosi, and Leader McCarthy,

The National Association of Towns and Townships (NATaT) represents more than 10,000 towns and townships around the country. It is imperative that we communicate to you NATaT's priorities as Congress and the Administration navigate these unprecedented times. We understand you have heard from organizations that represent our nation's larger local government entities, and we support their efforts. However, we want to ensure the voice of America's smaller local governments, many in our nation's most rural locations, is heard and our priorities considered.

Broadband and Telecommunications

NATaT supports increased, robust funding to expand broadband access in unserved and underserved areas, including additional support for existing federal broadband grant and loan programs, federal and state broadband mapping efforts, and more generally to bolster the Universal Service Fund E-Rate and Rural Healthcare programs, and the Rural Digital Opportunity Fund. With the widespread calls from elected leaders across America to stay at home and "telework", it is more important than ever that all Americans have adequate broadband access and high-speed connectivity.

Municipal Financing

Towns and townships, along with state and other local government entities will face extreme challenges responding to this national crisis. NATaT wants to ensure that the federal government maintains the tax-exempt status of municipal bonds. We also support measures that would reinstate the ability for local governments to advance refund tax-exempt municipal bonds. Further, NATaT supports including the Municipal Bond Emergency Relief Act (MBERA) in the stimulus package. The MBERA would allow the Federal Reserve to buy municipal debt to help local and state governments finance the delivery of key public services due to the COVID-19 health emergency. In the past week, borrowing costs for municipalities have skyrocketed, making it more difficult to finance the coronavirus response. The MBERA would amend Section 14(b) of the Federal Reserve Act (12 U.S.C. 355) to allow the Federal Reserve to buy municipal bonds under unusual and exigent circumstances. The \$3.7 trillion municipal bond market is in severe distress.

State Stabilization Fund

NATaT supports inclusion of a State Stabilization Fund that is accessible to not just states, but also to local governments, including towns and townships. These funds would be used to provide general financial support to state and local governments to address some of the lost revenue due to coronavirus.

Additional Priority Programs

NATaT supports increased funding for USDA's Rural Development programs, including the Rural Utilities Service that helps fund broadband connectivity and deployment; FEMA's State and Local Programs, which can be used to purchase personal protective equipment to our local first responders; and Economic Development Administration programs, all of which promote local economic development, create jobs, and ensure the safety of our citizens.

Volunteer First Responders

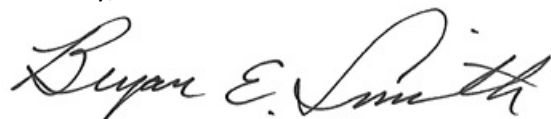
The Volunteer Responder Incentive Protection Act (VRIPA) provides small tax incentives to volunteer first responders. These incentives were included in the 2019 year-end spending package, but only for one year. VRIPA would make the tax incentives permanent, and NATaT supports including the VRIPA in an economic stimulus tax package. These volunteers are the first responders in most American communities that are on the front lines of the COVID-19 response.

Paid Family and Medical Leave

The *Families First Coronavirus Response Act*, which was signed into law on March 18, 2020, created paid sick leave and family medical leave requirements for all state and local public agency employers. Private employers will receive a tax credit to offset the cost, but public sector employers were expressly prohibited from receiving the same tax credits. NATaT supports efforts to ensure that both public and private employers can receive the employer tax credit.

Thank you very much for your continued hard work trying to give local governments of all sizes the tools to help address this growing crisis. If you need additional information or have any questions, please contact our Federal Director, Jennifer Imo, at jimo@tfgnet.com or 202.454.3947.

Sincerely,

A handwritten signature in cursive script that reads "Bryan E. Smith".

Bryan Smith
President, NATaT
Executive Director, Township Officials of Illinois