



April 9, 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. Thank you for your leadership in developing and passing the **Families First Coronavirus Response Act** and the **Coronavirus Aid, Relief and Economic Security (CARES) Act**. As you consider the next relief package, we urge you consider the following issues for inclusion in that legislation. We must protect our nation's smaller, more rural communities who already have limited revenue sources. Experts predict these are the areas that are the emerging "front lines" of this devastating pandemic.

### **New Rural Development Grant Program for Local Governments**

NATaT supports inclusion of the [Small Cities and Towns Investment Act](#) (H.R. 6459) in the next economic relief package. This bill would create a \$10 billion USDA Rural Development competitive grant program for small towns, cities, and other units of local government to address public needs such as improving essential community facilities, health care facilities, public transportation, childcare centers, community centers, broadband, and more. Communities with a population of 30,000 or less would be eligible to receive these funds.

### **Coronavirus Relief Fund for Smaller Local Governments and Greater Program Flexibility**

We applaud Congress including the Coronavirus Relief Fund in the CARES Act, but we are concerned these funds will never reach our nation's struggling towns and townships – none of which have populations of 500,000 or more. We support Congressional efforts to provide for an enhanced Coronavirus Relief Fund for units of local government with a population of 500,000 or less ([H.R. 6467](#)). We encourage Congress to allow monies received from the original Fund and the proposed Fund to be more flexible and allow recipients to use those funds to address lost revenue.

## **Payroll Tax Credit for Public Employers Offering Paid Family 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, including the one being led by Representatives Bradley Schneider (D-IL), John Katko (R-NY), TJ Cox (D-CA), Peter King (R-NY), and Diana Degette (D-CO).

## **Expand Broadband Access**

Access to high-speed internet is a necessity for addressing and overcoming the challenges presented by the COVID-19 crisis. However, many rural and low-income communities continue to face barriers to broadband adoption. NATaT supports the FCC's efforts to implement the BROADBAND Data Act and for other related broadband mapping purposes, which will require a significant infusion of federal funds. The recently passed Act will help direct broadband investments to where most needed. It requires the collection and dissemination of granular broadband availability data and to establish a process to verify the accuracy of such data.

NATaT supports additional funding for FCC's E-Rate program for the provision of Wi-Fi hotspots and connected devices to schools and libraries. The program provides essential and ongoing financial support to ensure that schools and libraries can provide broadband access to students and patrons.

Finally, NATaT supports funding to create an "Emergency Broadband Connectivity Fund" to either expand access to the FCC Lifeline program or to implement a voucher program to provide a subsidy to any service providers to make broadband at home affordable.

## **Tax-Exempt Municipal Bonds**

In addition to preserving tax-exempt municipal bonds, NATaT supports inclusion of the [Municipal Bond Emergency Relief Act](#) introduced by Senators Bob Menendez (D-NJ) and David Perdue (R-GA) that would amend the Federal Reserve Act to allow the U.S. Central Bank to purchase municipal bonds under "unusual and exigent circumstances."

## **Allow Advance Refunding**

Reinstate advance refunding to allow local governments to refinance municipal bonds at a lower rate without losing tax-exempt status. This will provide municipal governments with quick and much needed liquidity and financing.

## **State and Local Tax (SALT) Deduction**

Eliminate the limit on the State and Local Tax (SALT) deduction for 2018 and 2019. This will provide tax filers with larger returns this year, as they'd receive full credit for state and local taxes paid in 2018 and 2019.

## **Moratorium on Shot Clocks for Small Cell Applications**

NATaT rejects FCC actions that seek to further expedite state and local permitting relief favored by communications providers seeking regulatory relief during the current public health emergency. Local governments' financial stability has been severely affected by the loss of tax revenues and their ability to review expedited permitting applications will likely be hampered.

## **Volunteer First Responders**

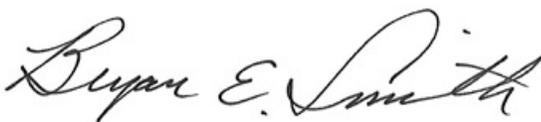
The [Volunteer Responder Incentive Protection Act \(VRIPA\)](#) (H.R. 1241/S. 1210) provides small tax incentives to volunteer first responders. These incentives were included in the 2019 year-end spending package, but only for one year. VRIPA would make the tax incentives permanent, and NATaT supports 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. They will be in demand now more than ever, and municipal governments will need to recruit and retain them with tax-free incentives.

## **Expand the Paycheck Protection Program to Include 501(c)(4) Organizations**

In addition to businesses with less than 500 employees, 501(c)(3) non-profit organizations and 501(c)(19) veterans organizations are eligible to apply for a loan through the Paycheck Protection Program (PPP). NATaT encourages Congress to allow Section 501(c)(4) organizations participate in the PPP. These are non-profit organizations that include both social welfare organization (i.e., civic leagues, local volunteer fire departments) and local associations of employees, “the membership of which is limited to the employees of a designated person(s) in a particular municipality, and the net earnings of which are devoted exclusively to charitable, educational or recreational purposes.” ([IRS.](#)) NATaT members are state town and township associations that employ staff who work tirelessly to promote town and township officials through, among others, training and advocacy services. Like small businesses, 501(c)(3) and 501(c)(19) organizations, employers like our state town and township organizations should have access to this program.

Thank you again for leadership and commitment to local governments and our residents as we all work together to mitigate the effects of this virus. Please let us know if you have any questions or if there are specific ways we can be helpful to you in this effort. If you need additional information or have any questions, please contact our Federal Director, Jennifer Imo, at [jimo@tfgnet.com](mailto:jimo@tfgnet.com) or 202.454.3947.

Sincerely,



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