



December 8, 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. We thank you for your leadership in developing and passing the coronavirus relief packages thus far. On behalf of our nation's smaller communities that are on the front lines of this devastating pandemic, we strongly urge you to pass another relief package that provides direct assistance to all units of local government; expands the Paycheck Protection Program to include 501(c) non-profit organizations like our state town and township associations; reinstates advance refunding; and makes permanent small tax breaks for volunteer first responders.

Fiscal Relief for Smaller Local Governments and Greater Program Flexibility

We applaud Congress for including the Coronavirus Relief Fund in the CARES Act, but recipients were not required to sub-allocate funds to smaller units of local government. There are approximately 39,000 units of local government in the United States. Of that number, 85 percent serve communities with less than 10,000 people, and nearly half have fewer than 1,000 residents. State and local funding must be provided directly to all units of local government. Otherwise, our nation's struggling towns and townships will not recover from this devastating pandemic. Further, we respectfully request that any additional state and local aid is flexible and can be used in various ways to help our communities recover.

Expand the Paycheck Protection Program to Include Non-Profit 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 all non-profit organizations, including 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.

Allow Advance Refunding

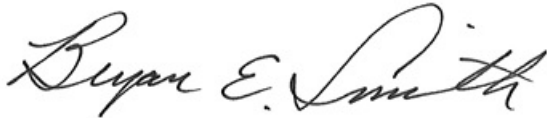
NATaT supports bipartisan efforts to reinstate advance refunding to allow local governments to refinance municipal bonds at a lower rate without losing tax-exempt status. This will provide municipal governments with quick and much needed liquidity and financing.

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, so they expire at the end of the year. VRIPA would make the tax incentives permanent, and NATaT supports including the VRIPA in any future relief package. These volunteers are the first responders in most American communities that are on the front lines of the COVID-19 response. They are in demand now more than ever, and we need all the help we can get to recruit and retain these essential volunteers.

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 or 202.454.3947.

Sincerely,

A handwritten signature in cursive script that reads "Bryan E. Smith". The signature is written in black ink and is positioned above the typed name and title.

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