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FLORIDA LEAGUE OF CITIES 2015-2016 Federal Action Agenda

TRANSPORTATION REAUTHORIZATION

The Florida League of Cities supports long-term transportation planning and funding that includes local decision-making authority, invests in long-term equitable transportation solutions, supports sustainable multimodal choices and maintains a strong federal commitment. Specifically, the League requests Congress to consider the following local government priorities in the next surface transportation bill:

- **Provide local governments with long-term funding:** This is vital for local governments to have the certainty of a multi-year program as they plan for and fund transportation in their communities. The shortfall in the Highway Trust Fund also needs to be addressed immediately through enhanced gasoline taxes or alternative sources of revenue that do not interfere with local governments' ability to finance local transportation needs.
- **Send funding directly to the projects where people live and work by giving local leaders a stronger role in selecting projects:** Increase the roles for local officials to make decisions about project funding through metropolitan planning organizations and rural planning organizations.
- **Support alternative financing:** Fund the Transportation Infrastructure Finance and Innovation Act (TIFIA) program, incentivize local innovation and preserve the federal tax exemption for municipal bonds.
- **Streamline the planning and approval process:** Continue MAP-21 provisions that help cities deliver transportation projects quickly, eliminate red tape and maintain environmental standards.
- **Support public transportation systems of all sizes:** Continue to fund transit programs from federal gas tax revenues and provide discretionary funding for both rural and urban transit systems to address major investments.

MARKETPLACE FAIRNESS ACT/ REMOTE TRANSACTIONS PARITY

A 1992 Supreme Court case left state and local governments unable to enforce sales tax collections by out-of-state catalog and online sellers. As a result, billions of local tax dollars are lost each year by allowing this tax-free platform to exist while brick-and-mortar retailers collect sales taxes from customers. This creates an unfair disadvantage to the shopkeepers on main streets, especially at a time when local governments are trying to encourage job creation and economic development.

Cities are struggling to provide municipal services with limited resources. Collecting sales tax that is rightfully owed to states and cities would help alleviate these fiscal shortfalls and allow cities to do more to strengthen infrastructure and provide for effective public safety.

The Florida League of Cities supports H.R. 2775, the Remote Transactions Parity Act, and S. 698, the Marketplace Fairness Act. The League supports this legislation because it would compel online retailers to collect taxes on remote sales, based on the consumer's location. Passing this legislation would enable state and local governments to collect sales taxes on online purchases that are owed to them but not being paid. ▶▶▶

FEMA DEOBLIGATIONS/CLAW-BACKS

Over the last few years, a number of local governments in Florida have expressed concerns with the FEMA Public Assistance Program (FEMA PA). FEMA PA, which provides recovery project funding to local governments for uninsured infrastructure repairs following a presidential disaster declaration, is a critical part of a community's recovery process. Since around 2011, the Department of Homeland Security's Office of Inspector General (OIG) has been auditing previously approved recovery projects in an attempt to recapture funds that it asserts should not have been awarded. Many of these audits are from the 2004 and 2005 storms, and the moneys received have been long spent on recovery projects. These so-called "deobligations" can run in the millions of dollars and have impacted the budgets of local governments across Florida. While local governments have the right to an appeal process, that process can result in lengthy delays and denials and, moreover, can involve issues so timeworn that neither the relevant documentation nor the local government staff remain to accurately appeal these audit findings. This situation has left local governments with no choice but to pay back moneys for recovery projects that, in some instances, were previously identified, developed and determined eligible by FEMA staff.

In a state where the question is not if a natural disaster will occur, but rather when, the Florida League of Cities strongly supports the mission and role of FEMA and the assistance it provides to local governments in times of need. However, a more organized and cooperative approach needs to be further explored, specifically as it relates to the unlimited OIG timeframe for review of recovery projects, FEMA deobligations of previously approved recovery project funding years after the loss event and improvements to streamline the appeals process.

The Florida League of Cities supports H.R. 1471, the FEMA Disaster Assistance Reform Act of 2015. This bill includes a provision that amends the Stafford Act to change the 3-year statute of limitations by which FEMA can recover payments to begin once the Project Worksheet is transmitted, rather than waiting until completion of the final expenditure report for the entire disaster.

MUNICIPAL FINANCING

As Congress and the Obama administration discuss tax reform, one of the issues being considered threatens the tax-exempt status of municipal bonds. This is a major concern to cities across the nation as these bonds are used to fund infrastructure projects at the state and local levels.

Since the federal income tax was imposed in 1913, the interest earned on municipal bonds has been exempt from federal taxation. This is not a tax loophole. The tax law was specifically designed this way to encourage investment in public infrastructure.

The projects funded through municipal financing are engines of job creation and economic growth. According to national statistics, state and local governments shoulder more than 75 percent of the costs of financing the nation's public infrastructure. Eliminating or limiting the tax-exempt status on municipal bonds will increase the costs borne by taxpayers.

The Florida League of Cities strongly urges Congress and the Obama administration to oppose any effort to remove or cap the tax-exempt status of municipal bonds. ▶▶▶

SOBER HOMES

Recovery residences, also known as "sober living homes" or "sober houses," provide a great value to people overcoming drug and alcohol addictions. The recovery residence industry's prolific growth has raised questions nationwide as to whether a regulatory structure is necessary.

These homes typically provide a drug- and alcohol-free living environment for individuals recovering from substance abuse. However, there is no universally accepted definition for these businesses, leaving to interpretation those characteristics that distinguish them from other regulated housing options.

Individuals in recovery are disabled within the meaning of the Americans with Disabilities Amendments Act (ADAA) and handicapped within the meaning of the Federal Fair Housing Amendments Act (FHAA). These acts prohibit discrimination on the basis of disability/handicap status. There is no clarifying definition of the protected class, except to describe individuals blanketed by the law as individuals who are "not currently using alcohol or substances."

State and local governments are limited by federal laws in their ability to address the impacts to local communities of "over-concentration" and "clustering" due to the proliferation of homes in many cities around the country. The Department of Housing and Urban Development (HUD) is charged with the interpretation of the FHAA, while the Department of Justice (DOJ) is charged with the enforcement of the law. However, there has been no updated interpretation of the acts and how they apply to these homes or their protected residents since a Joint Agency Statement dated August 18, 1999, titled the Group Homes, Local Land Use, and the Fair Housing Act. The courts have applied the FHAA and ADAA inconsistently over the years, causing a great financial and social burden on state and local governments facing over-concentration of sober homes.

The Florida League of Cities urges HUD and DOJ to amend the Joint Statement on Group Homes to allow greater regulation of the sober home industry.