

FLORIDA LEAGUE OF CITIES 2016 Federal Action Agenda

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 2004 and 2005 storms. The moneys received have been long spent on recovery projects that, in some instances, were previously identified, developed and determined eligible by FEMA staff. These so-called "deobligations" can run into the millions of dollars and have impacted the budgets of local governments across Florida. 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.

The Florida League of Cities supports H.R. 1471, the FEMA Disaster Assistance Reform Act, which includes a provision that amends the Stafford Act. Currently, the three-year statute of limitations by which FEMA can recover payments does not begin until completion of the final expenditure report for the entire disaster, which can be several years. Under H.R. 1471, the three-year statute of limitations would begin once the Project Worksheet is transmitted, providing more certainty.

H.R. 1471 passed the U.S. House of Representatives on February 29, 2016. The Florida League of Cities supports efforts to include and pass the amended three-year statute of limitations in similar legislation in the U.S. Senate.

WATER RESOURCES DEVELOPMENT ACT _

The Water Resources Development Act of 2016 (WRDA) is a bi-partisan bill that authorizes numerous water resources projects and policies for navigation, flood control, recreation, water supply and emergency management. WRDA authorizes funding and grants for flood protection, water infrastructure, wastewater, drinking water and storm-water projects.

The Florida League of Cities urges Congress to pass WRDA 2016, S. 2848 and H.R. 5303, which will help provide necessary funding to strengthen water infrastructure.

E-FAIRNESS/CLOSING THE ONLINE SALES TAX LOOPHOLE _____

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.

Recently, House Judiciary Chairman Bob Goodlatte released draft legislation that establishes a hybrid origin-based approach to tax collection, which means the seller's state chooses what goods will be taxed, and the buyer's state controls the tax rate. The taxes collected by the seller would be remitted to a clearinghouse that would transmit the taxes to the destination state(s).

The Florida League of Cities supports H.R. 2775, the Remote Transactions Parity Act, and S. 698, the Marketplace Fairness Act, which would compel online retailers to collect taxes on remote sales, based on the consumer's location.



FLOOD INSURANCE MARKET PARITY AND MODERNIZATION ACT ___

The Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert-Waters) made it clear that Congress intended for private flood insurance to be an option available to homeowners to satisfy mandatory flood insurance requirements of the National Flood Insurance Program (NFIP). Biggert-Waters narrowly defined the private flood insurance that is accepted for this purpose, limiting the flexibility of state regulators to license private flood products. The restrictions on coverage conditions included in Biggert-Waters prevent innovation and consumer choice. This has had the unintended effect of making it very difficult for lenders to accept private flood insurance policies. This issue has been a major concern to Florida's cities and the property owners currently lacking access to competition in the flood insurance market.

The Flood Insurance Market Parity and Modernization Act (H.R. 2901 and S. 1679) would redefine private flood insurance to remove federal restrictions on coverage conditions and return the full authority of determining acceptable flood insurance to the state insurance commissioners, the same as similar insurance products that protect property in the event of disaster, such as homeowners' insurance. This legislation will allow policyholders who wish to leave the NFIP for a private flood insurance policy to maintain their subsidy status protections under the NFIP.

H.R. 2901 recently passed the U.S. House of Representatives, and S. 1679 is awaiting consideration by the Senate Banking, Housing and Urban Affairs Committee. The Florida League of Cities supports H.R. 2901 and S. 1679. The League also thanks Representatives Dennis Ross (R-15) and Patrick Murphy (D-18) for sponsoring the House legislation and the members of Florida's congressional delegation for their support.

OTHER FLC PRIORITY ISSUES ____

FEDERAL FUNDING TO COMBAT ZIKA VIRUS - The Florida League of Cities supports federal funding to research and combat the Zika Virus.

MUNICIPAL FINANCING - 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.

MONEY MARKET MUTUAL FUNDS - The Florida League of Cities urges Congress to pass H.R. 4216 and S. 1802, the Consumer Financial Choice and Capital Markets Protection Act. This legislation is necessary to soften the negative impact of a new Securities and Exchange Commission rule governing money market mutual funds.

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.