

NLC RESOLUTION #2012-1**REGARDING THE CLOSURE OF POST OFFICES**

WHEREAS, the United States Postal Service (USPS) faces a severe fiscal crisis; and

WHEREAS, USPS is facing a deficit of \$8.5 billion in FY 2011 even after achieving savings of \$6 billion; and

WHEREAS, the Government Accountability Office recently added USPS to its list of “high-risk” federal agencies and issued a report calling on USPS to develop and implement a broad restructuring plan; and

WHEREAS, as part of its plan to address this fiscal crisis USPS is studying closing postal facilities and other service cuts; and

WHEREAS, USPS is also looking at consolidating mail processing facilities, realigning carrier routes, increased automation and reduction of mail service from six to five days per week; and

WHEREAS, as it studies postal facility closures, USPS is reviewing several factors including mail volume, proximity to other postal facilities and potential savings in labor and utility costs; and

WHEREAS, postal facilities often serve as an anchor of many central business districts and as a major focal point of urban commercial neighborhoods; and

WHEREAS, the loss of a postal facility can severely impact the health of a central business district or urban commercial neighborhoods and pose a setback to local government community and economic development plans; and

WHEREAS, postal facilities located in central business districts and urban commercial neighborhoods are often more accessible to the elderly, people with disabilities and households without a motor vehicle than other post offices; and

WHEREAS, many low- and moderate-income households do not have Internet access; and

WHEREAS, under current law USPS must undertake a formal public notification and comment period prior to closing a post *office*; and

WHEREAS, legislation has been introduced to require USPS to undertake a formal public notification and comment period prior to closing any postal *facility*.

NOW, THEREFORE, BE IT RESOLVED that the National League of Cities (NLC) understands the severity of the fiscal crisis USPS is facing and the need for USPS to take drastic action to address it; and

BE IT FURTHER RESOLVED that NLC urges USPS to consider impacts on local government community and economic development plans and impacts on low- and moderate income households, the elderly and the disabled as it studies postal facility closures; and

BE IT FURTHER RESOLVED that NLC supports legislation that would create a formal public notification and comment period prior to the closure of any postal *facility*; and

BE IT FURTHER RESOLVED that NLC urges USPS to take a comprehensive approach to restructuring that does not rely disproportionately on postal facility closures; and

BE IT FURTHER RESOLVED that NLC urges USPS and Congress to prevent disproportionate impacts on cities and neighborhoods as USPS is restructured.

NLC RESOLUTION #2012-2**IN SUPPORT OF FEDERAL SUPPORT FOR A
MUTUAL BOND INSURANCE COMPANY**

WHEREAS, the municipal bond market has been devastated by the downgrades of every single municipal bond insurance company resulting in many small, infrequent, and lower-rated issuers of municipal bonds no longer having access to the market or only at rates that are significantly higher than they were prior to the downgrades of the bond insurers; and

WHEREAS, the economic crisis has put state and local governments across the country under great fiscal stress and this stress imperils (1) essential government services that taxpayers, rate payers and their families rely on and (2) governments' ability to pay for them such that prudent steps must be taken to alleviate the cost burdens of state and local governments including the cost of tax-exempt borrowing; and

WHEREAS, there continue to be market conditions that threaten the continuing viability of existing insurers and the ability of new insurers to succeed in the market; and

WHEREAS, alternative sources of credit enhancement, letters and lines of credit, from banks and other providers are insufficient to meet borrowers' needs, are only available at very high rates, or may only be available to issuers who are able to link depository relationships with these credit facility providers; and

WHEREAS, it is in the national interest to restore market access at lower borrowing costs for municipal issuers to support the financing of billions of dollars of infrastructure and other essential governmental projects that will create jobs and support national economic growth; and

WHEREAS, the National League of Cities (NLC) has proposed an alternative insurance mechanism, a mutual bond insurance company, which is a business structure that has proven to be successful, stable and policy-holder focused and provides greater service and lower cost to the purchasers of insurance; and

WHEREAS, NLC seeks an interest-bearing loan from the federal government to provide capital necessary to create the first-ever mutual bond insurance company, Issuers Mutual Bond Assurance Company, that will help return stability to the municipal market, reduce borrowing costs, stimulate job creation, and contribute to the nation's economic recovery.

NOW, THEREFORE, BE IT RESOLVED that NLC urges Congress and the Administration to provide the financial support necessary to provide a strong capital base for a new bond insurance company that will be mutually owned by state and local government bond issuers and will serve the public by providing market access for these issuers and reducing the cost of borrowing for essential governmental projects.

NLC RESOLUTION #2012-3**CALLING FOR A BALANCED APPROACH TO DEFICIT REDUCTION**

WHEREAS, current federal revenues and expenditures are unbalanced requiring large deficits to the detriment of future generations and to programs important to cities and towns; and

WHEREAS, the aging population and the rising cost of health care will cause spending on the major mandatory health care programs to grow from roughly 10 percent of GDP today to about 15 percent of GDP 25 years from now;¹ and

WHEREAS, the Government Accounting Office projects that by 2040 the national deficit will be so large that balancing the budget could require cuts in total federal spending levels of as much as 60 percent, or raising taxes to almost two times today's levels; and

WHEREAS, revenue from today's tax laws are insufficient to pay for the promises successive Congresses and Administrations have built into new and current programs; and

WHEREAS, long-term structural deficits have significant, lasting consequences for federal, state and local governments, as well as contribute to the further breakdown of intergovernmental relationships in the face of increased parochialism; and

WHEREAS, federal budgetary conditions may dictate a changing role for the federal government in communities, local businesses and the infrastructure that supports our national economy just when greater investment is needed to spur economic growth and ensure our competitiveness in the global arena; and

WHEREAS, to be globally competitive our economy demands an immediate reexamination and update of the nation's tax systems; and

WHEREAS, maintaining tax-exemption on municipal bonds is essential to help our national economy grow and create jobs because three-quarters of the total United States investment in infrastructure is accomplished with tax-exempt financing from over 50,000 state and local governments and authorities; and

WHEREAS, state and local budgets face significant uncertainty and serious risk of destabilization because of linkages to unsustainable federal policies; and

WHEREAS, the National League of Cities (NLC) further believes intergovernmental partnerships must be strengthened to provide a framework of economic growth that balances the critical role of each level of government in the economic health of the nation, while also preserving important principles of federalism.

¹ *2011 Long-Term Budget Outlook*, Congressional Budget Office (June 2011).

NOW, THEREFORE, BE IT RESOLVED that NLC calls on Congress and the President to adopt a non-partisan plan to reduce the deficit and balance needed reductions in spending with revenue enhancement, while making growth-enabling investments in cities; and

BE IT FURTHER RESOLVED that NLC calls on Congress and the President to maintain tax-exempt municipal bonds to promote employment and investment in our nation's cities and towns, and reform our nation's tax code to provide a more sufficient revenue stream; and

BE IT FURTHER RESOLVED that NLC calls on Congress and the President to obtain input and actively partner with cities in a transparent process that leads to a balanced plan to resolve and reduce the current and growing deficit over a defined period of years, so the federal government can meet its long-term future financial obligations and preserve the ability of local governments to invest in their own communities; and

BE IT FURTHER RESOLVED that reductions in federal spending should not come solely from domestic discretionary programs essential to vibrant communities and the families who live in them; and

BE IT FURTHER RESOLVED that any balanced deficit reduction plan should not rely on accounting tricks by transferring responsibilities or imposing unfunded mandates on our cities and towns; and

BE IT FURTHER RESOLVED that any structural changes in federal programs implemented for deficit reduction should allow for an adequate transition period for our hometowns to prepare for our shared sacrifice.

NLC RESOLUTION #2012-4**LOCAL GOVERNMENT SUPPORT
FOR FEDERAL LEGISLATION ON STREAMLINED SALES
AND USE TAX AND OPPOSITON TO ADDITONAL REQUIREMENTS
MANDATING STATE COLLECTION OF TELECOMMUNICATIONS TAXES**

WHEREAS, rapid growth in interstate commerce has complicated state and local government efforts to collect legally authorized sales and use taxes on remote transactions representing a significant loss of state and local government resources; and

WHEREAS, the University of Tennessee Center for Business and Economic Research estimates that annual national state and local sales tax losses on e-commerce will grow annually to \$11.4 billion by 2012 for a cumulative six-year total loss of \$52 billion; and

WHEREAS, the Streamlined Sales Tax Project (SSTP) adopted as its original mission the following statement: “The Streamlined Sales Tax Project will develop measures to design, test and implement a sales and use tax system that radically simplifies sales and use taxes”; and

WHEREAS, the National League of Cities (NLC) has supported the SSTP since its inception in 2000; and

WHEREAS, 44 states and the District of Columbia approved the Streamlined Sales and Use Tax Agreement (Agreement) which sets the minimum sales and use tax statutory simplifications required of any state that wishes to participate in the simplified system; and

WHEREAS, to date, 23 state legislatures have amended their sales and use tax statutes to conform to the requirements of the Agreement; and

WHEREAS, Congress is considering legislation to provide states that are members of the Agreement and in compliance with the federal legislation the authority to require out-of-state sellers to collect and remit sales and use taxes on remote transactions attributable to those states; and

WHEREAS, the federal legislation is expected to impose additional requirements beyond those supported by the SSTP and included in the Agreement, including simplification of collection and administration of local telecommunications taxes; and

WHEREAS, the proposed requirements for state collection and administration of local telecommunications taxes are contrary to local control and propose “federalizing” traditionally local tax matters; and

WHEREAS, the proposed requirements for state collection and administration of local telecommunication taxes are directly contrary to NLC’s longstanding policy, which opposes federal efforts to curb the ability of local officials to collect local telecommunications taxes.

NOW, THEREFORE, BE IT RESOLVED that NLC supports efforts by states to streamline and simplify their sales and use tax collection and administration systems; and

BE IT FURTHER RESOLVED that NLC commends the Streamlined Sales Tax Governing Board for considering the challenges that the Agreement's destination sales tax sourcing requirement presents to those states using origin-based sourcing and working to identify solutions that would allow those states to participate in the Agreement; and

BE IT FURTHER RESOLVED that NLC commends Congress on recognizing the importance of the issue and introducing legislation that would grant states the authority they need to require sellers, regardless of location, to collect sales and use taxes owed to them; and

BE IT FURTHER RESOLVED that NLC strongly opposes the inclusion in federal legislation of proposed requirements for state collection and administration of local telecommunication taxes, and will oppose federal legislation that includes such requirements; and

BE IT FURTHER RESOLVED that NLC opposes the inclusion in federal legislation of any other requirements, beyond those supported by the SSTP and included in the Agreement that would preempt local government collection or administration of revenues or would diminish local government net revenues.

NLC RESOLUTION #2012-5**UNITED NATIONS CONFERENCE ON RACISM RESOLUTION**

WHEREAS, the United Nations Conference on Racism took place in April 2009 in Geneva, Switzerland; and

WHEREAS, over 100 countries participated in the conference designed to combat racism and related forms of intolerance worldwide; and

WHEREAS, the United States boycotted the conference; and

WHEREAS, the United States also demanded that the reference to reparations for slavery be taken out of the document; and

WHEREAS, considering United States history, policy and practices of racial discrimination, there should be a ground swell of support for any world initiative designed to show a propensity for atonement for a national ill; and

WHEREAS, the United States, as a world power, should be a part of any and all discussions designed to shape world policy of any nature; and

WHEREAS, the United States should entertain the debate for the purpose of affording U.S. citizens reasonable opportunity to hear both sides of this divisive issue to enable consensus building; and

WHEREAS, the Conference was designed to help to eradicate the ills of racism; and

WHEREAS, the United States boycotted the conference on racism held in September 2011, thereby missing again an opportunity to lead the dialogue challenging racism worldwide; and

WHEREAS, the United States is the most powerful country in the world and should be a part of such critical world dialogue.

NOW, THEREFORE, BE IT RESOLVED that the National League of Cities urges the United States to participate in the next world conference on racism and related intolerance.

NLC RESOLUTION #2012-6**MEDICINAL USE OF MARIJUANA**

WHEREAS, state and local governments share with the federal government the responsibility to ensure public health is addressed through competent, thoughtful, and comprehensive legislation and regulation; and

WHEREAS, a growing number of states have passed voter referenda or legislation authorizing the growth, distribution, possession and use of marijuana for a variety of medical conditions for patients suffering from serious and chronic diseases; and

WHEREAS, the federal Controlled Substances Act (CSA) establishes a regulatory system designed to combat recreational drug use by making it unlawful to manufacture, distribute, possess or use any controlled substance including marijuana; and

WHEREAS, the federal government has classified marijuana as a Schedule I controlled substance, creating a conflict between the laws in various states authorizing medicinal marijuana in certain circumstances and the CSA's prohibitions against marijuana under any circumstance; and

WHEREAS, America's cities are expending scarce resources as a result of this conflict between federal and state law.

NOW, THEREFORE, BE IT RESOLVED that the National League of Cities (NLC) urges the federal government to resolve this conflict; and

BE IT FURTHER RESOLVED that NLC urges the federal government to consider a precise interpretation of the CSA to recognize and address whether the medicinal use of marijuana in prescribed circumstances is or is not in conflict with the CSA.

NLC RESOLUTION #2012-7**SUPPORT FOR MODERNIZATION AND EQUAL APPLICATION OF THE COMMUNITY REINVESTMENT ACT**

WHEREAS, the Community Reinvestment Act has encouraged responsible banking practices for more than 30 years; and

WHEREAS, the Community Reinvestment Act creates incentives for banks to provide basic financial services for low- and moderate-income communities including responsible home mortgage lending, housing and homeowner counseling, and foreclosure mitigation, and

WHEREAS, the U.S. Federal Reserve Board reports that the Community Reinvestment Act did not contribute to the current economic or home foreclosure crisis, and that only six percent of all high-cost, high risk loans in 2006 were considered on bank CRA exams; and

WHEREAS, fundamental structural changes to the U.S. home finance system and the housing market have weakened or eliminated the intended protections and benefits of the Community Reinvestment Act for the majority of U.S. homebuyers.

WHEREAS, fundamental structural changes to the U.S. banking and finance system have weakened or eliminated the application of CRA fiscal accountability measures for financial institutions to the cities and towns in which they do business; and

WHEREAS, cities and towns working to fulfill the CRA accountability gap in innovative ways that ensure that local tax generated revenues are invested in responsible financial institutions that partner with local governments to maximize benefit of public investments to the taxpayer; and

WHEREAS, on March 20, 2002, the City of Philadelphia signed into law a requirement that all banks authorized to receive deposits from the City submit an annual statement of community reinvestment goals within Philadelphia; and

WHEREAS, on March 5, 2010, the Los Angeles City Council unanimously supported a Responsible Banking Initiative that requires financial institutions with which the City contracts to provide an annual “report card” detailing their investment and lending activity in Los Angeles; and

WHEREAS, the ultimate ability of cities and towns to impact the activities of financial institutions operating within their jurisdictions is necessarily limited by federal regulatory authority and the financial impact of municipalities on financial institutions portfolios.

NOW, THEREFORE, BE IT RESOLVED that the National League of Cities supports Congressional efforts to modernize the Community Reinvestment Act such that it can remain relevant within dynamic market conditions, and

BE IT FURTHER RESOLVED, that standards and protections intended under the Community Reinvestment Act should be provided for all consumers regardless of how lending institutions may be classified; and

BE IT FURTHER RESOLVED, that the benefits afforded by the Community Reinvestment Act should apply equally to every city and town regardless of size or circumstance; and

BE IT FURTHER RESOLVED, that federal efforts to modernize the Community Reinvestment Act should encourage and compliment, and not supplant, efforts of local governments to incent transparent and responsible banking practices from financial institutions doing business with cities and towns.

NLC RESOLUTION #2012-8**REGARDING THE U.S. CAPITAL REINVESTMENT OF FOREIGN EARNINGS AT A LOWER CORPORATE TAX RATE FOR U.S. MULTINATIONAL CORPORATIONS**

WHEREAS, the United States is engaged in a global economic competition and our economy and job climate continues to struggle; and

WHEREAS, an estimated \$1.2 trillion in U.S. earnings are held outside of the U.S. because of inadequacies in the U.S. corporate tax system; and

WHEREAS, the United States now has one of the highest statutory corporate tax rate among the major industrial countries in the Organization for Economic Cooperation and Development (OECD);

WHEREAS, a high tax rate will prevent employers from investing these revenues in U.S. operations and limits the ability to create U.S. jobs, to build U.S. infrastructure and to develop new U.S. research and development opportunities; and

WHEREAS, repatriating U.S. foreign income would attract between \$1.2 trillion and an estimated \$565 billion to the U.S., that would otherwise remain outside of the U.S.; and

WHEREAS, the additional investment would result in 425,000 additional jobs during a three-year period; and

WHEREAS, federal government revenues gained for all levels of government for vital jobs and infrastructure investments could increase by about \$112 billion in a three-year period; and

WHEREAS, additional federal, state and local revenues would stem from both the taxes paid on the repatriated foreign funds that otherwise would have remained outside the U.S. and the increased tax revenues generated by the increased economic activity stimulated by the U.S. multinational corporations' use; and

WHEREAS, the proposed repatriation policy not only provides a short run influx of capital to the U.S., it is also a sound policy for strengthening long-run U.S. capital investments that has wide bipartisan support.

NOW, THEREFORE, BE IT RESOLVED that the National League of Cities (NLC) recognizes the importance to U.S. jobs and economic competitiveness and the need for the Administration and Congress to take short-term and long-term action to address it; and

BE IT FURTHER RESOLVED that NLC urges the Administration and Congress to fast-track proposals to spur U.S. economic and job growth as a high priority; and

BE IT FURTHER RESOLVED that NLC supports legislation to allow the temporary return of foreign earnings by U.S. multinational companies throughout the U.S. at a reduced corporate tax rate; and

BE IT FURTHER RESOLVED that NLC urges the Administration and Congress to stimulate the U.S. economy, boost U.S. job growth, enhance the competitiveness of U.S. companies, and increase federal, state and local tax revenues, by allowing existing profits earned by foreign subsidiaries of U.S. companies to be repatriated at a reduced U.S. tax rate to immediately inject capital into the U.S. economy creating jobs and deploying capital.